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Massachusetts. *Special Commission on Unemployment, Unemployment Compensation, and the Minimum Wage.*
Report. Feb. 9, 1923. Boston, Wright & Potter Print. Co., State printers, 1923.

78 p. 23 cm. (Massachusetts. [General Court] 1923. House. [Document] no. 1325)

1. Unemployed — Massachusetts. [1. Unemployment — Massachusetts] 2. Insurance, Unemployment — Massachusetts. 3. [Wages] — Minimum wage—Massachusetts.

L 23–124 rev*

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REPORT

OF THE

SPECIAL COMMISSION ON UNEMPLOYMENT, UNEMPLOYMENT COMPENSATION, AND THE MINIMUM WAGE

APPOINTED UNDER CHAPTER 43 OF THE RESOLVES OF 1922 TO INVESTIGATE PROBLEMS RELATING TO PREVENTION OF UNEMPLOYMENT, TO UNEMPLOYMENT COMPENSATION, AND TO MINIMUM WAGE

FEBRUARY 9, 1923

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MEMBERS OF THE COMMISSION.

From the Senate.

HON. WALTER A. HARDY OF FITCHBURG, *Chairman.*
HON. GEORGE W. P. BABB OF BOSTON.

From the House.

REP. RENTON WHIDDEN OF BROOKLINE, *Vice-Chairman.*
REP. DEXTER A. SNOW OF WESTFIELD.
REP. CHARLES SHULMAN OF BOSTON.
REP. JEREMIAH J. HEALY OF NATICK.

By the Governor.

HON. ALBERT P. LANGTRY OF SPRINGFIELD.
WILLIAM H. COBURN OF NEWTON.
SYBIL H. HOLMES OF BROOKLINE.

JOHN D. WRIGHT OF BROOKLINE, *Secretary.*

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The Commonwealth of Massachusetts.

BOSTON, February 9. 1923.

To the General Court of Massachusetts.

In accordance with the provisions of chapter 43 of the Resolves of 1922, I have the honor to transmit herewith the report of the Special Commission on Unemployment, Unemployment Compensation, and the Minimum Wage.

Respectfully,

WALTER A. HARDY,
Chairman.

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The Commonwealth of Massachusetts.

CHAPTER 43 OF THE RESOLVES OF 1922.

RESOLVE ESTABLISHING A SPECIAL COMMISSION TO INVESTIGATE PROBLEMS RELATING TO PREVENTION OF UNEMPLOYMENT, TO UNEMPLOYMENT COMPENSATION, AND TO MINIMUM WAGE.

Resolved, That an unpaid special commission is hereby established, to consist of two members of the senate to be designated by the president, four members of the house of representatives to be designated by the speaker, and three other persons not members of the general court to be appointed by the governor with the advice and consent of the council, which shall investigate unemployment in Massachusetts and the extent, nature and causes thereof, and what measures may be taken, either through legislation, community effort, private initiative, or otherwise; (a) toward decreasing unemployment by removing so far as possible seasonal fluctuations, by checking overexpansion and consequent contraction and depression, by establishing reserves from the profits of normal times for the stabilization of industry, or otherwise; (b) toward helping those seeking employment to find employment by extending the free employment service, by co-ordinating local agencies, or otherwise; and (c) toward providing relief by insurance, by advance planning and reserving of public works for periods of unemployment, or otherwise, for those who are involuntarily unemployed.

The commission shall also investigate the question of the operation and administration of the minimum wage law, and its effect on the industries and on the employees in the industries for which minimum wages have been established or may be established under the law, and whether mandatory effect should be given to the decisions of the wage board or the law should be otherwise extended, amended or repealed, and it shall investigate particularly the subject matter of house documents one hundred and eleven, one hundred and twelve and seven hundred and seventy-eight, and senate documents two hundred and sixty, two hundred and sixty-one and two hundred and seventy-eight of the current year.

The departments of industrial accidents, of labor and industries and of banking and insurance are authorized and directed to co-operate with the commission in every way feasible, in carrying out the purposes of this resolve.

The commission shall report its findings, with such recommendations and drafts for such legislation as it may deem expedient, to the next

annual session of the general court, by filing the same with the clerk of the house of representatives on or before the second Wednesday of January, nineteen hundred and twenty-three. Upon the filing of such report the existence of the commission shall terminate. The commission shall be furnished with rooms in the state house, and shall hold public hearings.

The commission may incur such reasonable expenses, including such sums for traveling, clerical and other assistance, as may be approved by the governor and council, not exceeding such sum as the general court may appropriate; provided, that the members of the commission shall not receive reimbursement except for expenses actually incurred in the discharge of their duties. [*Approved June 2, 1922.*

REPORT OF THE SPECIAL COMMISSION ON UNEMPLOYMENT, UNEMPLOYMENT COMPENSATION, AND THE MINIMUM WAGE.

Organization of the Commission.

The Commission held its first meeting on July 21, 1922, and organized by electing Hon. Walter A. Hardy, chairman, Representative Renton Whidden, vice-chairman, and John D. Wright, secretary. The Commission has held thirteen public hearings, all of which were held in the State House, Boston.

Because of the nature of the subjects the Commission has had to investigate, it was necessary to take them up separately. The Commission took up the subject of the minimum wage first in its line of investigation. One evening hearing was given for the convenience of those who found it impossible to attend during the day. Keen interest has been manifested in the subject of the minimum wage on the part of those concerned, and the hearings, for the most part, have been marked by interesting and spirited discussions.

At the time the Commission took up the subject of unemployment, conditions in the Commonwealth as regards employment were nearly normal. The Department of Labor and Industries reported at the close of the month of September that the amount of unemployment (from all causes) existing was 9.6 per cent. Because of this favorable situation there was not the same interest manifested which is usually apparent when unemployment is more general. On this subject the Commission has had the benefit of the knowledge of many able authorities, all of whom have appeared voluntarily and cheerfully given such assistance as they could. The Commission desires to record its appreciation here for the generous assistance rendered by the Department of Labor and Industries. It is indebted also to the many who have appeared voluntarily before the Commission to give testimony on the subjects under investigation.

THE MINIMUM WAGE.

Introductory.

Massachusetts was a pioneer in the adoption of minimum wage legislation in the United States. Chapter 71 of the Resolves of 1911 authorized the Governor, with the advice and consent of the Council, to appoint a commission of five representative persons to study the question of wages of women and minors, and to report on the practicability of creating a board or boards to whom should be referred inquiries as to the need and advisability of fixing minimum rates for women or minors in any industry. The Commission was composed of able people and included in its membership Hon. George W. Anderson, at present judge of the United States District Court in Massachusetts, Hon. Richard Olney, 2d, former member of Congress from Massachusetts, and Henry LeFavour, president of Simmons College.

A thorough and exhaustive study of the wage situation so far as it affected women and minors was made by the Commission. The investigation covered a period of approximately six months, and when the Commission reported to the Legislature in 1912 (House, No. 1697), a mass of data and material was submitted to support its recommendations. Information as to wage schedules and a certain amount of other personal and domestic data were gathered, affecting no less than 15,278 female wage earners. In addition to the research work done by this Commission, a comprehensive study of the minimum wage systems in effect in other countries was made, particularly the English and Victorian laws.

As a result of its investigation, the Commission recommended to the General Court, legislation establishing a permanent Minimum Wage Commission, the function of which was to determine the need for minimum wages for women and minors. If, after investigation, the Commission found in any particular industry a substantial number of women employees receiving a wage of insufficient amount to pay the necessary costs of living, it was authorized to establish a wage board consisting of an equal number of representatives of the employers in the

occupation and of the female employees in the occupation and one or more disinterested persons from the outside, representing the public. Provision was made for the wage board to make its report and recommendations to the Commission for review and for approval or disapproval, and the Commission was authorized to enter a decree based on the determinations of the wage board.

The original bill provided for enforcement, and in case an employer failed to comply with a decree of the Commission he was to be subject to fine or imprisonment.

The General Court of 1912 enacted legislation substantially in accord with the recommendations submitted by the Commission, but only after hearings and serious consideration on the part of the Legislature and the various committees to which the matter was referred. The Legislature did not deem it wise at the time of the passage of this legislation to provide for penalizing the employer in case of his failure to comply with a decree of the Commission, in the manner recommended by the Commission. Provision was made, however, for advertising an employer who refused to comply with a wage decree. A right of appeal is provided for the employer, who can by filing a decree under oath in the Supreme Judicial or Superior Court, to the effect that his compliance with such decree would endanger the prosperity of his business, obtain a stay of execution of such decree in his own individual case and a review thereof with reference to the question involved.

From the foregoing, which is a brief sketch of the conditions and circumstances which led up to the passage of the Minimum Wage Law in Massachusetts, it can be readily seen that the legislation was not the result of any hasty action. The law was enacted only after considerable study and deliberation.

In September, 1918, an opinion was rendered by the Supreme Judicial Court of Massachusetts declaring the Minimum Wage Law constitutional in all its essential provisions. (See 231 Mass. 99.) The court, however, does not express any opinion as to whether or not the act would be constitutional if its provisions were mandatory, and in this connection says: —

> The grounds upon which this decision is put make wholly unnecessary consideration of the question whether a mandatory minimum wage law

would violate the provisions of our Constitution. They also render superfluous a prophecy whether such an act will be held by the United States Supreme Court to be contrary to the rights and liberties guaranteed by the Fourteenth Amendment to the United States Constitution.

1912 law in operation

During the period the law has been in operation twenty-four occupations employing women have been investigated. Wage decrees fixing minimum rates for women and girls have been rendered for sixteen different occupations employing from 70,000 to 80,000 women employees. In many instances wage boards have been reconvened for the purpose of revising the decrees to meet the change in the cost of living. Approximately $161,000 has been spent during the ten years the act has been in effect. This represents very nearly the total expense of administration.

There is no provision in the present Minimum Wage Law authorizing the court to impose a fine, or, in its discretion, a jail sentence, in case of non-compliance with a wage decree. There is provision, however, authorizing the Commission to publish the names of employers refusing to accept a minimum wage decree, together with a summary of its findings and its recommendations in connection therewith. The measure, therefore, is more than advisory in its operation. Employers usually feel morally obligated to carry out wage decrees based on determinations, usually unanimous, of employers and employees in the occupation who are named by employers and employees themselves.

1918

Following the opinion rendered by the Supreme Court in 1918, amendments were adopted by the Legislature making certain parts of the law compulsory. These provisions include requirements for posting the notices of the Commission's decrees; the requirement for keeping wage records, showing the name, address and occupation and amount paid each week to each woman employee; and for permitting these records to be inspected by the Commission and its agents.

Following is an extract from a publication of the Minimum Wage Commission. Although the information was compiled especially for the convenience of wage boards, it is pertinent to reprint it here, since it presents in a very comprehensive manner

the procedure followed by the Minimum Wage Commission and the wage boards in determining upon what should be a minimum wage for any particular occupation.

Wage Boards and their Work.[1]

It is the duty of this Commission to investigate occupations where there is reason to believe that the wages paid to a substantial number of the women employees are not sufficient to meet the cost of living and to maintain the worker in health. If the investigation shows that this condition exists, the Commission establishes a wage board for the occupation. It is this wage board and not the Commission that fixes minimum rates; that is, the board recommends the rates, while the Commission, if it approves the recommendations, puts them into effect. A separate wage board is formed for each occupation considered.

Every wage board is composed of an equal number of representatives of the employers and of representatives of women employees in the occupation in question, and one or more disinterested persons appointed to represent the public. The representatives of the public must not be more than one-half of the number of representatives of either side. For example, a board of seven members would consist necessarily of three representatives of the employers, three representatives of the employees, and one of the public; while a board of fifteen members would have six representatives of the employers, six representatives of the employees, and three of the public.

The size of the board is determined by the Commission, and depends upon the particular industry, its size, location, and the number of its subdivisions.

The representatives of the public are selected directly by the Commission, and one of them is named the chairman of the board. The other members are chosen from names sent in by the employers and by the employees in the occupation in question. The basis for choice of nominees is determined by the Commission, as the law provides that the Commission shall make rules and regulations governing the selection of members of wage boards.

Only those who are in the industry may make nominations. There is no requirement, however, that the persons chosen to represent either the employers or the employees shall be engaged in the occupation. Both are free to name the individuals whom they believe can best look out for their interests on the board.

The duties of the wage board are definitely outlined in the law. Each board has to consider the needs of the women employees in the occupation under discussion; that is, the minimum required to meet the cost of living and maintain the worker in health, the financial condition of the

[1] Extracts from a Handbook of Information for Wage Board Members, prepared for the Minimum Wage Commission.

occupation; whether it can stand the increase in wages necessary to meet the cost of living; and finally, the suitable minimum rate for a woman of ordinary ability in the occupation, and also suitable rates for learners and apprentices and for minors below the age of eighteen years.

The State endeavors to provide for the protection of representatives of employees in connection with their work on the wage board, and makes it a penal offence for an employer to discharge or in any way to discriminate against an employee for service on a wage board or for assistance in forming a board.

The sessions of the board are usually in the evening, so that the members do not have to lose time from their employment, and are ordinarily held at the office of the Commission in the State House. In order to work efficiently and to report within a reasonable time, it is advisable that the board meet as frequently as once a week. Unless serious differences arise, it should be possible for the board to submit a report after six or eight meetings.

Wage board members receive the same compensation as jurors; at the present time that is $4 a day. They are also allowed their necessary traveling expenses. Those coming from such a distance that they are obliged to remain in the city over night may include their hotel expenses.

The board is responsible to the Commission for its work. The law provides that the Commission "shall make rules and regulations governing the modes of procedure of the boards, and shall exercise exclusive jurisdiction over all questions arising with reference to the validity of the procedure and of the determination of the boards."

The deliberations of the wage board are private. The Assistant Commissioner acts as secretary of the wage board. No member of the board is permitted to employ a stenographer or other clerk to attend the meetings or take a record of the proceedings. After the board has submitted a report of its determinations, the Commission, if it approves, makes them public.

In its study the Board has available material submitted by the Commission, including a report giving the result of the investigations which led to the establishment of the board. Additional data for the use of the board are collected as needed. The board, moreover, is at liberty to make investigations of its own through its members if it so desires. Any work, however, involving an expenditure of money requires the authorization of the Commission.

The determination of the cost of living is one of the most important duties of the wage board, as this is the basis to be used in fixing the minimum wage. It is the specific function of the board to find what is required to meet the needs of the women workers in this State in the particular occupation considered.

The wage board decides whether one rate shall be fixed for the occupation, or whether it is necessary to establish special rates for learners and apprentices and for minors below the age of eighteen years. If apprenticeship is not necessary, and age makes little difference, it is possible to determine a flat rate for all workers in the occupation, irrespective of their age or length of employment.

The law does not require the board to fix the time when its determinations, if approved by the Commission, shall become effective.

When the board, or when a majority of the members of the board, reaches a decision on the questions at issue, they submit to the Commission a report embodying their determinations. This is then approved and signed by the members at a meeting called for this purpose. A standard form for presenting determinations is provided.

Service on the board does not terminate with the signing of the report. If the Commissioners provisionally approve the recommendations, they give a public hearing which the members of the board are expected to attend. The usual compensation is allowed. In case the Commissioners do not approve the report, they may return it to the board with their objections, requesting that the board continue its deliberations further; or they may submit the entire matter to a new board.

Recommendations.

The Minimum Wage Law, which has been in operation since 1913, has not, in the opinion of the Commission, had a fair trial. Had this period been a normal one, it would have been possible to ascertain with a fair degree of accuracy whether the law had resulted in any substantial benefit to the class it was designed to protect. It must be remembered, however, that the country and the Commonwealth have passed through a period of phenomenal prosperity since the time of the passage of this act. During the immediate time of this unusual prosperity help was exceedingly scarce, and the wages paid were far above normal. It is also evident that the readjustment in economic affairs, which is usually expected to follow a period of this kind, has not been finally reached. The Commission believes that conditions in the Commonwealth are not such as to make necessary any extension of the provisions of the law.

The Commission, therefore, recommends that the Minimum Wage Law be continued in its present form until such time has elapsed as will demonstrate whether or not the legislation has justified its mission. Evidence is constantly accumulating, and within a comparatively short time it ought to be possible to decide what efficacious results have followed its operation. The period during which the Commission has had to study the effects of the Minimum Wage Law has been one in which in-

dustrial activity has prevailed pretty generally throughout the Commonwealth. The scale of wages paid in the various industries in which women and minors are employed appear to be sufficiently high to guarantee an adequate wage. There has been given in the various hearings which the Commission has held a great amount of testimony in opposition to the Minimum Wage Law and in favor of its repeal. It is significant that much of this testimony has been given by those representing industries not affected by the law. In considering the testimony and evidence submitted at the several hearings given, the Commission is impressed by the fact that the small employers, particularly the store proprietors outside of Boston, have been the most seriously affected by the law of any. A few instances of discharge of employees as a direct result of a wage decree have been brought to the attention of the Commission. This Commission is also impressed by the fact that those who have served as members of the Minimum Wage Commission or on minimum wage boards, and who have testified before it, have not by any means been in full accord. Some have advocated continuing and making the law mandatory; others have expressed their disapproval of the measure and recommended its repeal.

The majority of the Commission believe that it is not a wise policy for the Commonwealth to attempt to regulate by legislation the wages of any class of workers in industry. The successful development of our industries justifies the conclusion that the greater freedom allowed to prevail and the less interference by legislative restrictions, the better.

The Massachusetts Minimum Wage Law is not an arbitrary measure. The State does not establish wages in private employment; it does, however, create the necessary machinery by which a minimum wage can be determined, but only after a conference between employers, employees and representatives of the public. The decrees of the Commission are not enforcible by the same means nor to the same extent that the decrees of boards in other States are. The measure is what it has been termed, — "a recommendatory law."

A former member of the Minimum Wage Commission, speaking before this Commission, said: —

Mr. Comins Employer. exceptionally fine man & fair minded employer — but strongly opposed to law before came on Commission. P. Johnson in letter to me.

> I freely admit the end sought — namely, the amelioration of the condition of many women helpless in the swirl of industrialism — is greatly to be desired. My only arguments . . . are that a minimum wage applied by law in any form is wrong in principle and will not accomplish the object sought, and if it produces any results at all toward that end, will do so at the expense of the law-abiding employer and to the apparent benefit of his unscrupulous competitor.

Continuing, this witness summarizing his views of the law from his experience on the Commission, says: —

> Ever since my own experience on the Commission I have felt that the law is neither the panacea its zealous friends imagine or the menace its frenzied enemies assert. . . . The decrees followed by inspections unquestionably improved conditions under some employers; the posting of a notice or the mere imminence of a pay-roll examination tended to make other employers turn from more pressing problems and examine and revise their pay-roll columns. Add to these gains the not inconsiderable benefit to an industry of having a group of fair-minded employers and employees exchange freely across the table their own problems and grievances in the presence of disinterested representatives of the public, and you have summed up, I believe, about all the benefits accruing from the law.
>
> On the other hand, it should be remembered that conditions were then ideal for the law, since wages were rising and help scarce, which meant either that current wages were always safely above the scale of the decree, or business was so rushing and employees so hard to get that no one cared long to quibble over their pay.

Many difficulties enter into the administration of the Minimum Wage Law. The questions with which wage boards are confronted in considering what is a living wage present many problems. One factor is the efficiency of the employee. A great number of employers have testified at the hearings that they were perfectly willing to pay the minimum wage to employees capable of earning it, their objection to the law being that it does not provide for the employee lacking in ability and below normal efficiency. Authority is given the Commission, however, to issue to any woman physically defective a special license authorizing her employment at a wage less than the legal minimum wage.

Another difficulty encountered in the administration of the law is adopting a wage applicable to an industry whose plants

may be located in various parts of the Commonwealth. Provision has been made in the law for establishing different rates for different occupations and for creating a wage board for each occupation. The great diversity of occupations, however, in Massachusetts adds to the cost and complications of administration. A great deal has been said at the hearings regarding the variation in the cost of living in different localities, and for this reason it is contended a lower wage should be established in the same occupation for the smaller communities. The proprietors of small stores in country districts maintain, and with some justification, that the cost of living is less outside of cities, and therefore women clerks should not receive the same scale of wages paid in the department stores of large cities. The question of establishing a different wage in the same occupation would add to the complexity of administration. With a view to ascertaining how other States had handled this problem, the Commission requested the Department of Labor and Industries to send a letter of inquiry to the officials in the several jurisdictions outside of Massachusetts having minimum wage legislation and charged with its administration. A majority of the replies indicate that no special effort has been made outside of Massachusetts to meet this seeming inadequacy in the law. In most cases the replies to the letter of inquiry sent out indicate that minimum wage officials are not inclined to believe that establishing a different wage in the same occupation and adjusted to particular localities is advisable.

While there is evidence that the condition of women workers has been improved, the good results accruing from the law have not been sufficient to justify the Commission in recommending at this time an extension of its provisions. It is for this reason, therefore, that the Commission recommends that the law be continued for a period of five years, and that the Department of Labor and Industries be authorized and directed to gather, in the meantime, such information and facts as will make it possible to determine more accurately whether the legislation is justified or required. With almost united opposition of employers throughout the Commonwealth, the Commission is compelled to recognize the fact that the Minimum Wage Law is extremely unpopular among most employers in the Commonwealth. It is also recognized that the Minimum Wage Commission is somewhat handicapped in administering the law because of the existing antipathy to it. In some cases, advertising an employer may penalize him severely; in other occupations advertising may not affect an employer appreciably. This situation has led some employers to ignore the decrees, but the cases of non-compliance have not been as numerous as might be assumed under a recommendatory law. A table is submitted on page 54 of the Appendix, showing the extent to which occupations have complied with wage decrees.

The Commission also submits in the Appendix of the report, page 55, an amendment to chapter 151 of the General Laws, which provides that minimum wage boards appointed hereafter by the Minimum Wage Commission shall consist of not more than seven members. At the present time the Commission is authorized to appoint a wage board of such number as it deems advisable. In some instances there have been wage boards numbering as many as fifteen or seventeen. The reason given for appointing larger wage boards in some instances is that either the employers or employees desire a larger representation. The occupation being a large one, it has been felt desirable to have a larger representation of employers and employees. This, however, adds materially to the cost of administration, and it is doubtful if a larger wage board can function as efficiently as a smaller one. This Commission therefore makes this recommendation in the belief that no injustice will result, but that decisions may be arrived at more readily with the smaller board, and that the work of the wage boards and of the Minimum Wage Commission may thereby be facilitated.

UNEMPLOYMENT.

Introductory.

The Commission was directed to investigate "unemployment in Massachusetts and the extent, nature and causes thereof, and what measures may be taken, either through legislation, community effort, private initiative, or otherwise; (*a*) toward decreasing unemployment by removing so far as possible seasonal fluctuations, by checking overexpansion and consequent contraction and depression, by establishing reserves from the profits of normal times for the stabilization of industry, or otherwise; (*b*) toward helping those seeking employment to find employment by extending the free employment service, by co-ordinating local agencies, or otherwise; and (*c*) toward providing relief by insurance, by advance planning and reserving of public works for periods of unemployment, or otherwise, for those who are involuntarily unemployed."

It has already been stated in the report that the unemployment situation was at no time acute during the period in which the Commission was considering the problem. The Department of Labor and Industries reported at the close of December, 1921, 27.3 per cent of the organized wage earners unemployed. The same department reports for the close of December, 1922, 14.6 per cent unemployed, showing a decided improvement during the year 1922. In view of the fact that the last report shows the unemployment situation to be very nearly normal, it will readily be seen that the extent of unemployment in Massachusetts at the time this report is written is not such as to cause serious concern. Because the period during which the Commission considered the unemployment problem has been one in which unemployment prevailed to but little extent, there has been an apparent lack of interest indicated in the small attendance at the public hearings. The Commission believes, however, that because of the recurrence of periods of depression and the usual prevalence of unemployment resulting therefrom, it is just as essential, and perhaps more desirable, to study means of relief during prosperous and normal seasons, thus anticipating and preventing so far as possible the results which follow abnormal periods of general depression.

Previous Studies.

Much time has been devoted to considering the unemployment problem in Massachusetts. The question was the subject of an exhaustive study in 1895 by a commission created under the provisions of chapter 238 of the Acts of 1894. The commission reported to the General Court in five parts, comprising, when bound, a large-sized volume. Part V of the report was ordered reprinted by the Legislature of 1908 (House, No. 1169). It is interesting to note at this time (twenty-eight years later) the character of the recommendations submitted by that commission which were designated as "permanent measures," as follows:—

1. The removing of residents of cities to the country and farms.
2. Removing the competition and hence displacement of free labor occasioned by the labor of inmates of reformatory and penal institutions.
3. Reducing the hours of a day's labor.
4. Restriction of immigration.
5. An extension of industrial education.
6. Improving the intelligence and employment offices, or establishing free employment offices.

A number of the foregoing recommendations have since been adopted. Hours of labor have been reduced, immigration has been restricted, industrial education extended and free employment offices established.

Chapter 157 of the Resolves of 1916 provided for the establishment of a Commission on Social Insurance, to study and recommend means for the relief by insurance or otherwise of the conditions resulting from sickness, unemployment and old age. In addition to the foregoing, the Commission was directed to consider the subject of hours of labor in so-called continuous industries.

The principal recommendation of the Commission of 1916 was that for legislation establishing a State Board of Employment to deal with the problems having to do with employment.

Causes of Unemployment.

A careful analysis of the causes of unemployment indicate a great number and variety of conditions and influences which enter into the problem. One needs to be somewhat of a student of economics to understand all the causes and their relation to the final result. There are many textbooks and treatises on the subject, and it is a common topic for discussion in the field of economics.

The most recent unemployment crisis was reached in 1921, when it was reported by the Department of Labor and Industries at one time that 31.8 per cent were unemployed in Massachusetts. This condition was not confined to Massachusetts alone, by any means, for depression in business prevailed generally throughout the country. The principal reason advanced for the unemployment crisis in 1921 is that Massachusetts had gradually expanded its manufacturing industries during the war period. A large number of the employees consisted of people who did not ordinarily belong here. Many industries were engaged in manufacturing munitions and army supplies, and labor had been brought into the Commonwealth from all quarters of New England and elsewhere. As a natural consequence of this period of over-expansion there followed a period of contraction and depression. Much of the employment offered was recognized as temporary and had been accepted upon that basis. It became necessary, therefore, that the surplus labor absorbed during the time of this unusual prosperity and discharged following it should be redistributed. Many of the employees resumed their former occupations, while others turned to new fields of labor.

Massachusetts is primarily a manufacturing state. About two-thirds of her people are employed in manufacturing industries. If manufacturing falls off, unemployment follows and the problem of redistributing and re-employing is greater in our Commonwealth than in those states where agriculture is more general, or in states having industries more diversified than here.

In most cases of serious periods of unemployment different causes have been said to underlie each of them. In considering

the economic causes of unemployment the following have been said to be conditions developing from changes and deficiencies in business and industrial organizations: —

Cyclical fluctuations in industry.
Over-expansion of credit.
Evolutionary changes in industry.
Seasonal fluctuations in industry.
The existence of a labor reserve.
Strikes and lockouts.
Deficiencies in industrial management.
Wasteful methods of commodity distribution.

Cyclical Fluctuations.

In considering "Cyclical fluctuations in industry," a writer has said that periods of great business prosperity and depression are characteristic of our modern industrialism. These recurring cycles he explains as follows: —

> In the United States, for example, relatively great unemployment resulted from general industrial depression in 1892–93, 1904–05, 1907–08, 1913–14, and 1920–22. Except for minor variations, general prosperity characterized the years between these dates. Panics and depressions stop the wheels of industry and cause immeasureable suffering to the working classes. Lack of orders accompanying the depression of 1920–22 was responsible for fully 60 per cent of the general wave of unemployment in the United States.[1]

Over-expansion.

The Commission desires to emphasize over-expansion as a cause of unemployment. Prof. John R. Commons maintains that it is fundamental and is the chief cause of unemployment. The intense zeal for profits, he believes, is what leads to abnormal expansion in business and the consequent contraction with its train of evils. In describing the course of over-expansion in business he says: —

> Prices rise; wages rise; profits swell; everybody is confident and overconfident; speculation overreaches itself; the future looks more assuring than it is; too many buildings and factories are constructed; then the inevitable collapse. Hundreds of thousands of workingmen are laid off. Business establishments go into bankruptcy or liquidation. The credit system breaks down. Then the cycle repeats itself.

[1] Gordon Watkins in "Labor Problems."

The Foreign Market.

It is interesting to consider in this connection the influence which the condition of the foreign market has upon the industrial situation in Massachusetts. The total value of goods exported by all industries in Massachusetts in 1919 amounted to $210,759,607. While there was, during the year 1920, an increase of 8.9 per cent over 1919 in the aggregate value of goods manufactured in all industries in Massachusetts, the total value of goods exported that year was less by 9.4 per cent than in 1919, having decreased from $210,759,607 in 1919 to $190,879,734 in 1920. While corresponding figures for 1921 were not available at the time the Commission made its report, it was evident from the information at hand that exports of manufactured products from Massachusetts for that year would be not over 40 per cent of what they were the previous year. The following is taken from the report of the Statistics of Manufactures, published by the Department of Labor and Industries: —

> The value of manufactured goods exported in 1920 constituted 4.4 per cent of the total value of all goods manufactured ($4,370,276,822) in 1920 as against 5.3 per cent of the total ($4,011,181,532) in 1919. Among the many perplexing factors affecting the foreign business of the year were the cancellation of export orders, due to coincidentally falling prices and increasingly higher exchange rates, — particularly in European markets, — making necessary the most strenuous effort on the part of the manufacturers in order to dispose of their products without serious loss, and causing an interesting shifting in trade currents, which is one of the outstanding features of the year.

It will be seen, therefore, that when the foreign demand for Massachusetts products falls off it affects to a considerable extent business conditions in the Commonwealth.

Prevention.

In its report the Commission desires to place the strongest emphasis possible on means for the prevention of unemployment. Unemployment is regarded as a social and economic evil, yet it is recognized as one which it is possible to reduce and eliminate to a great extent. It is a problem, nevertheless,

which requires sympathetic and intelligent treatment. Better industrial relations and cordial co-operation between employers and employees are very important factors in the success of industry. Good business is the best means of assuring continued employment. Steady employment is the best barometer of good business. Capital promotes industry, but industry cannot function without labor. Therefore the better the relationship between the two, the better the business will thrive.

There are indications in the country of a broader and more active interest on the part of labor in the problems of business, such as banking and finance. This is a healthy sign, for the result must make for the promotion of industrial peace.

In industries where the employees participate in the profits of the business, and especially in industries where the employees are encouraged to share in the business by purchasing stock, relations have been more harmonious and better service has been rendered to the public.

When employees begin to share and understand the problems of business management, then the problems of management will become less difficult and easier of solution.

Various methods have been recommended to the Commission for preventing and reducing unemployment.

Regularization of Industry.

Regularization of industry appeals to the Commission as being one of the best means of reducing unemployment. It has made an especial appeal to the Commission, for the reason that it seems to go to the bottom of the problem and offers a solution, not theoretical alone, but scientific and practicable. It has also been tried and successfully demonstrated. Briefly, the plan calls for intelligent co-ordination of departmental activities, seeking for more diversified markets, improving sales methods, increasing the variety of products, standardizing products and seeking means to stabilize trade; also planning for dull periods such work as plant construction, repairs and general improvements and readjustments. Special discounts have been extended to customers to induce them to buy their goods out of season. If plant extension work could be postponed until a dull period occurred, employment could be

steadied and the construction probably performed at a lower cost.

The Dennison Manufacturing Company at Framingham, Mass., is said to be one of the first concerns to have successfully worked out a plan of industrial regularization. This particular company has arranged its manufacturing so that it is able to keep most of the departments of the plant in continuous operation. What formerly were dull periods are now devoted to manufacturing. This plant has found it possible to devote the machinery and equipment to manufacturing marketable commodities, other than the regular line, so that the factory is able to keep in continuous operation.

The plan of regularizing industry has within it great possibilities. It is true, to be sure, that the plan cannot be adapted to every plant, but the Commission is of the opinion that if manufacturers could so co-operate and co-ordinate their businesses in this direction, the results would be surprising.

It is doubtful if legislation can bring about the desired result in this connection, but it is advocated that the Massachusetts Chamber of Commerce and local boards of trade and Chambers of Commerce give serious consideration to the matter, and, where possible, prevail upon manufacturers and business men to co-operate in a general plan of regularization of industry. The Commission is convinced that this plan for the prevention of unemployment has within it greater possibilities for success than most others which have been suggested.

Seasonal Trades.

It is admitted that the law of supply and demand controls to a large extent the employment problem, but it is felt, nevertheless, that much can be accomplished in the field of industry towards preventing periods of unemployment if employers are disposed to devote themselves earnestly to a solution of the problem.

There are certain industries which are known as seasonal industries, and their activities are usually confined to some particular part of the year. In this class are included the building trades and others. The secretary of the Building Trades Council of Boston gave the Commission the benefit of

the experience of his organization which is composed of about 26,000 men. He stated that the average number of days of employment for the workers in his organization were two hundred; that had been a standard, he said, for a number of years. It should be stated here that three hundred working days is usually a normal year for those who enjoy steady employment. It will be seen, therefore, from the foregoing that men employed in this particular trade are obliged to remain idle for about three months out of every year. Naturally, the busy seasons for the building trades are through the spring, summer and fall; for example, the secretary of the Boston organization states that the pressing demand for painters comes about April 1 each year. It is found, he said, that by June the demand for painters slackens, and after that time they are usually employed on new building construction work. In October the demand for painters again becomes pressing and continues for a month or more. By December, he says, 50 per cent of the men are loafing. There has been some effort made to induce builders and owners of property to arrange their repairs and alterations so as to keep this particular class of workers employed more steadily.

Secretary Johnson of the Building Trades Council of Boston said, in discussing means for employing this class of workers during the winter: —

> . . . If banks, stores, office buildings, especially apartment houses, would take into consideration the supply of men and the opportunity to pick the best class of men and mechanics, they would do their repairing at that time. So we have started a campaign and are trying to interest the owners to see if they won't have their alteration work and their repair work done in the winter time instead of throwing it right into the busy months. Also it has been of interest to us to know that common belief says that unions won't allow a difference in rates of wages for steady employment. On the contrary, we have a committee now at the present time studying and investigating the advisability of making special rates and conditions for firms who steadily maintain mechanics and have their own mechanical crew. But we naturally have lacked a certain amount of initiative to go to the owners, and our work has been largely missionary work. We have gone to the real estate exchange, society of architects, society of engineers and have gotten them interested, but so far we have not been able to reach those outside of the industry.

These trades, which include bricklayers, painters, laborers, roofers, plasterers, carpenters, etc., are naturally affected to a large extent by the weather, but during the last few years it has been found possible to continue construction work through the winter months, and this renders the problem of unemployment among the building trades less acute than formerly.

Community Effort.

The Commission desires to point out in this relation the importance of communities taking hold of this problem and impressing upon their citizens, through a campaign of publicity and otherwise, the importance and necessity of planning interior painting, alterations and other improvements during the slack seasons of the year, so as to provide employment for the building tradesmen in the cold seasons. Such a plan would undoubtedly work to the mutual benefit of the householders and to this class of workers. The plan could also be adopted with equal success, it is believed, for banks, stores, office buildings, and dwelling houses, especially apartment houses. It would be to the advantage of property owners, for the reason that labor of this character can usually be employed at lower rates during the dull period.

Depression Reserve.

Among the various means of meeting periods of depression in business and resulting unemployment the Commission is impressed with the suggestion that industries set aside a certain percentage of their income for the purpose of establishing a so-called depression reserve fund to tide them over periods of depression, either by employing the funds for the purpose of financing new work, or for paying those employees of the concern who may be, through no fault of theirs, forced out of employment temporarily.

Dennison Plan.

Under the Dennison plan, so called, which is in operation in the Dennison Manufacturing Company in Framingham, Mass., and which has attracted nation-wide interest and comment, provision is made for accumulating from the profits a reserve

fund. The experience of the company with the fund does not cover a long period. The plan was first inaugurated in 1915. Mr. Dennison reports that not over 1 per cent unemployment has existed in the plant since the plan was put into operation. He attributes this largely to the fact that extraordinary efforts have been made to keep the factory running in order to save the reserve fund, and partly to the system of regularization adopted by that company. The Dennison plan does not call for a joint contribution on the part of the employer and employee, but is maintained by the employer alone. The employees share in the responsibility of managing the funds, and this plan appears to have met with considerable success. The company endeavors to keep its force occupied in some line continually. Employees must, however, under the plan, devote themselves to other classes of work in the establishment, when their own particular department or work is slack or suspended. In case of involuntary layoffs a certain percentage of the employee's wage is paid him weekly during the time he is idle. This allowance is based primarily on the man's dependents for whom he is responsible and also partly on the condition of the fund itself.

The company at the present time is paying in the case of involuntary unemployment 80 per cent of the employee's wage, providing he has dependents, and 60 per cent of his wage if he has no dependents.

The officers of the Dennison Company report continued success with the scheme, and express the opinion that the plan works more satisfactorily by restricting the contributions to the fund solely to the corporation itself, and this notwithstanding the fact that the management of the fund lies partly in the hands of the employees themselves, through a committee selected by and from among them.

The rules governing the management of the fund are subject to revision in case the amount of the reserve is reduced at any time below a certain point. No change has been found necessary thus far in the rules, but it is said, should the fund become reduced at any time, the emergency can be met by either reducing the amount of weekly payments to the unemployed, or by extending the period an unemployed employee is required to wait before receiving benefits from the fund.

Cleveland Garment Manufacturers' Association.

In 1921 the Cleveland Garment Manufacturers' Association and the Ladies' Garment Workers' Union of Cleveland entered into an agreement whereby the workers guaranteed production and the manufacturers guaranteed employment. Scientific management with accurate time-studies were installed under joint control of both parties, whereby the worker receives a minimum wage fixed by an impartial board of referees, and, in addition thereto, earnings based upon his individual production measured by time-studies.

This employment assurance plan, which was slightly modified by the new agreement of December, 1921, at present operates as follows: —

The manufacturer each week lays aside 7½ per cent of his direct labor pay roll to constitute an unemployment fund. Any worker is entitled to draw upon this fund after eleven weeks of idleness in any one year at the rate of two-thirds of his minimum. In other words, the manufacturer guarantees forty-one weeks of work each calendar year. If he succeeds in fulfilling this, the accumulated 7½ per cent fund reverts to him. If he falls short of the forty-one weeks, what he can save from the fund grows less, but in any event his liability is limited to 7½ per cent of his pay roll — equal to about 1½ per cent of his total cost. The administration of the funds is under the control of an impartial chairman. The actual money is not laid aside, but the liability of the manufacturer is protected by surety bonds. The plan acts as an automatic regulation of the wage rate in accordance with the amount of employment furnished.

In May, 1922, the referees authorized a decrease in the wage rate of 10 per cent to any manufacturer who cared to increase his fund from 7½ to 25 per cent as a minimum, and 45 per cent as a maximum. The percentage depended upon the manufacturer's past record in furnishing employment. Only 4 members of the Association out of 28 cared to take this additional risk. The referees' purpose was to permit a decrease only where the worker was morally certain of receiving either forty-one weeks of work or forty-one weeks of pay. The other 24 manufacturers continued the plan in operation on the 7½ per cent fund basis.[1]

In the State of New York the Rockland Finishing Company and the Dutchess Bleachery provide for depression reserve funds similar to that of the Dennison Manufacturing Company, and these companies recently passed successfully through a serious unemployment period and reports state that the reserve funds were adequate to protect the operatives.

Industrial Relations — Fuller Brush Company.

Mr. Frederick S. Fuller, president of the Fuller Brush Company, Hartford, Conn., appeared before the Commission on invitation and presented some of his ideas on industrial relations. Mr. Fuller does not believe it is possible to solve the unemployment problem by legislation. Speaking from his own experience, he believes more and more consideration should be given to the human equation in solving the problem.

Mr. Fuller stated that the sales of his company had been increased in wholesale figures from half a million dollars in 1915 to about $7,000,000 at the present time, and the sales force increased until it includes about 5,000. In the successful development of his industry, Mr. Fuller says: —

> The thing we have given the most attention to is the question of man-building, man-development. We have found that men who have absolutely no particular qualifications or promise of being successful, if put in the right environment and under the right conditions of self-gain develop just as much capacity as any of us.

Employees have been encouraged to become partners in the business by acquiring stock, until at the present time they have an investment of about $1,700,000 in the business which constitutes about 43 per cent of the common stock and about 50 per cent of the preferred stock. Considering that the corporation was started by one man in 1906, the growth of the company has been quite remarkable. A large national sales organization has been built up, and, in addition, a correspondingly large manufacturing organization and distribution system. The president states that the corporation has made it a rule that

[1] From "Unemployment Insurance at a Glance," published by Industrial Management Council, Rochester, N. Y., Chamber of Commerce.

every share of common stock of the company should be owned by men in the employ of the company, depending upon the position held. The stock has greatly increased in value, and this has resulted to the advantage of the employee stockholders, and it has at the same time been an additional incentive to them to promote the interests of the business.

In addition to the salaries paid the employees of his concern, there is a bonus system based on the results obtained. This system is regarded as the most important factor in the business. Better industrial relations have resulted from the operation of this plan, and the plant is practically free from labor troubles of any sort.

The Commission commends the plan of dealing with employees which the Fuller Brush Company follows. It recognizes, however, that the system is not adaptable to every industry.

Planning and Reserving of Public Works.

Thus far the only practicable means found of relieving unemployment through legislation in the Commonwealth has been by providing for public works during periods of depression. During recent periods of severe business deflation, special legislation has been passed providing for construction or conservation work, and emergency appropriations provided, thus enabling certain of the State departments to proceed forthwith with some large undertaking which would employ a considerable number of men. This has been found to be a very satisfactory means of relieving serious unemployment crises, particularly in the city of Boston. It is highly desirable, in view of the large number of people employed in certain public enterprises, that the department heads charged with the responsibility of planning such works should endeavor always to do so with a view to providing steady employment to as many as possible, and it should be found possible and practicable, also, to co-ordinate the work of the various State undertakings, so that forces of workmen may be employed interchangeably on public works, thus assuring to them continued employment over a longer period of time.

In 1915 nearly $100,000 was appropriated by the State and

expended for forestry work. Though the primary purpose of the project was to give employment to those in need of it, the State, nevertheless, benefited. During the business depression of 1921 it was found possible to employ a large force of men under the direction of the Department of Conservation in clearing up the débris which covered the ground in public parks and reservations in many sections of the State following the severe ice storm in the autumn of that year.

It very often happens that the Legislature is in session when a period of business depression occurs, and it has been the custom for the Governor in such instances to ask for immediate appropriations to provide for the emergency. The Governor is provided with an emergency fund, which enables him, with the approval of the Council, to extend needed relief in the form of public works or otherwise should he deem it advisable. This manner of meeting unemployment crises through legislation has aided materially in the past. It might be desirable to anticipate emergencies of this nature and for the Legislature to provide appropriations, to be expended under proper supervision, in cases of serious unemployment periods occurring when the Legislature is not in session.

Consolidated Purchasing of Public Supplies.

The amount of supplies required for the public institutions in Massachusetts is large. It amounts to about $9,000,000 annually. Section 10 of chapter 545 of the Acts of 1922 provides that —

> All materials, supplies and other property, except legislative or military supplies, needed by the various executive and administrative departments and other activities of the Commonwealth shall be purchased by or under the direction of the purchasing bureau. . . .

In view of the fact that a large part of the material and supplies required for the public institutions in the State is manufactured or is possible of production within the Commonwealth, it can readily be seen that the opportunities for aiding industry by means of consolidated purchasing are worthy of serious study. Orders might be wisely and advantageously placed when industry in particular lines is lagging, thereby

perhaps enabling it to bridge over dull seasons until it can resume its normal operation. The Commission recommends that, so far as possible, the purchase of institutional and other supplies be made always with a view to aiding employment and industry in Massachusetts.

This Commission suggests that municipalities in Massachusetts consider the possibilities of this plan.

Public Employment Offices.

The Commission submits in the Appendix of the report, page 72, a table showing the number of positions filled by public employment offices in Massachusetts over a period of five years. There are at the present time four public employment offices in the State. There is a general office in Boston, one in Worcester and one in Springfield. There is also a mercantile office in Boston, which was opened in January, 1922, and the Department of Labor and Industries has found it so successful that it has decided to continue it for another year. This office gives special attention to the needs of employers in stores and offices. It will be noted from the table submitted that the employment offices filled about 38,500 positions during the past year. The offices do not charge any fee for finding employment, and those who avail themselves of the services of them, therefore, are enabled to save the fee usually charged by the private intelligence offices. The Springfield office handles a large amount of domestic help, and the office in Worcester furnishes a great number of employees to manufacturing plants.

Analyzing the figures submitted in the Appendix regarding the free employment offices in Massachusetts, one finds there has been a steady growth in the business of each of them. The Department of Labor and Industries upon the approval of the Governor and Council may establish other free employment offices in localities where there appears to be a need and demand for them. It has seemed to the Commission, in considering the service maintained by the free employment offices now in existence, that the service might well be extended. The public employment office at Fall River was discontinued. Labor in Fall River is nearly all textile, and it has been found

that the private employment office maintained by the mills is able to perform the function of placement work satisfactorily. There are industrial communities, however, where classes of employment are sufficiently numerous to make it seem worth while to extend the free employment service.

UNEMPLOYMENT COMPENSATION.

House Bill No. 278.

The Commission was directed to consider especially the provisions of House Bill No. 278, introduced in the Legislature of 1922 on the petition of Representative Henry L. Shattuck. The bill is drawn in the form of a proposed amendment to chapter 152 of the General Laws, which chapter relates to workmen's compensation. The bill in question provides for the establishment of a system of State unemployment insurance. It does not seek to establish any new department, but provides for the administration of the law by the Department of Industrial Accidents. It seeks to extend the same powers in administering unemployment insurance that the department is now authorized to exercise in the case of workmen's compensation insurance.

The provisions of the bill when examined in detail show the proposed measure to have been drawn with much care and with special consideration to the administrative provisions. It indicates serious study and thought. The Commission takes occasion here to acknowledge its appreciation for the assistance which Representative Shattuck has rendered to it during the course of the investigation and study.

Realizing that the General Court, in considering any plan of social insurance of this nature, would be desirous of learning the cost to the Commonwealth in adopting the measure, the Commission requested the Department of Labor and Industries to make a rough estimate based on the provisions of the proposed act. The department has computated the probable cost to the Commonwealth of putting the act into operation. The Commission submits this information in the Appendix, page 76.

The English system of unemployment insurance being the most recently adopted, the Commission has given more consideration to the experience of that country than to any other.

In this connection and in discussing the cost of unemployment insurance, it may be of interest to know that the British act has cost that country about four times what was originally estimated.

The English act has been in effect since July 15, 1912. The

funds required for carrying out the provisions of the act are derived from the employer, the employee and the State. The act, to begin with, was quite limited in its scope, and applied to only two and a half million wage earners. This included practically all manual and non-manual workers whose annual earnings did not exceed £250 ($1,250). Those engaged in agriculture or domestic service were excluded.[1]

The joint contributions from employers and employees at the last date for which we have data was: employees, 1s. 3d. (30 cents) a week in the case of men, and 1s. 1d. (26 cents) in the case of women. The benefits are 15s. ($3.75) for men and 12s. ($3) for women. In the case of boys and girls, premiums and benefits are correspondingly less.[2] The British system of unemployment insurance is carried on through a comprehensive system of employment exchanges.

There is no system of unemployment insurance, Federal or State, in effect in the United States, but bills providing for it have been introduced into at least twelve State Legislatures. Some study was given to the subject in Massachusetts in 1916 by a commission to whose report reference has already been made. A bill was introduced in the Legislature of Wisconsin in 1921 which proposed that all employers pay their employees a dollar a day each for a term of thirteen weeks when forced out of employment through no fault of theirs but because of lack of work. It has been said that such a system would add a liability of $80 to $100 for every man laid off; that every employer would be obliged to insure his liability; and that the result would be regularization of production and stabilization of credit, for the reason that the employer would be penalized rather than the employee.

British Experience.

In considering the question of unemployment insurance the Commission called into conference Dr. Frederick L. Hoffman, an eminent statistician. We quote first from Dr. Hoffman's testimony before the Commission, indicating what was expected of the British act: —

[1] Gordon S. Watkins, "An Introduction to the Study of Labor Problems."
[2] Hoffman.

It was assumed that there would be a material reduction in unemployment, and the compulsory use of employment exchanges would bring many men into industry who might otherwise be unable to find work; second, it was assumed that there would be a substantial reduction in the cost of outdoor relief; while third, it was expected that there would be a very material improvement in industrial relations or between employer and employee.

Discussing such statistics as he found available in support of his contention that the British act has failed to accomplish all that its supporters hoped, he continues: —

On August 22, 1922, the number of work people insured was about 12,000,000. Of this number, 1,427,000 were out of employment, or about 12 per cent. This number has increased in the meantime, subject to certain changes in classification, and is probably now not much less than 1,500,000, including those who are working part time.

By the same month, the number of persons receiving outdoor relief had increased by 432,000 over the corresponding month of the previous year, or 101 per cent. The total number of all paupers in England, Scotland and Wales on August 19, 1922, was 981,000. That number since has increased considerably, and the outlook for the winter is extremely discouraging.

Public Expenditures in England and Wales.

Public expenditures, on account of different forms of social insurance in Great Britain during 1921, have been as follows: —

National health insurance	£26,394,000 ($128,459,598)
National unemployment insurance	9,701,000 ($47,214,767)
Old-age pension acts	18,326,000 ($89,192,642)
Poor relief	31,924,000 ($155,374,108)

an approximate total of £86,345,000 (or over $420,241,115), which during 1922 has unquestionably very considerably increased. A recent statement has it that a supplemental estimate for a million additional pounds of unemployment relief was recently adopted by the House of Commons, while under date of December 13 and Associated Press Despatch states that in the House of Commons Mr. Ransom MacDonald has referred to this appropriation as a scandal, being totally inadequate. Through other sources the statement has been advanced that the total cost of unemployment insurance to the British government has not been much less than £300,000,000 ($1,460,100,000), but all such figures are subject to careful reconsideration in the absence of a consolidated and thoroughly intelligent report by the British government stating all the facts which require to be taken into account.

Dr. Hoffman says unemployment insurance endows and thus encourages unemployment: —

The economic unsoundness of unemployment insurance, so called, is made evident by the facts in the case. The continuous receipt of even a very modest provision paralyzes initiative to seek whatever employment may be had. In other words, the British system of unemployment is equivalent to an endowment of idleness; and in this respect the history of the old poor law is being repeated, but with still more disastrous consequences to the character of the British working population.

The English act has not resulted in the prevention of pauperism, he believes, and in support of this opinion he states: —

The claim that unemployment insurance prevents a recourse to the poor law is flatly contradicted by the facts in the case. All the evidence from English sources, including poor law reports, prove conclusively that aversion to poor relief is repeatedly yielding to a persistent demand for an increase in the dole from whatsoever sources it may be derived. The number of persons receiving outdoor relief during the month of October, 1922, increased by 50,397, or nearly 6 per cent over the month of September. As compared with the month of October, 1921, the number of persons receiving outdoor relief during the month of October, 1922, was 11.5 per cent greater. The greatest increase in poor relief was in Sheffield, Stockton and Newcastle, or, in other words, in the most intensely developed industrial sections. In Sheffield the increase during the year was 476 per cent, in Stockton 345 per cent, and in Newcastle 402 per cent.

Thus the evidence is absolutely conclusive that unemployment insurance in Great Britain has not prevented unemployment or has not tended to diminish it, while it also has failed to prevent an increase in poor law burdens, but, quite to the contrary, the cost of poor relief has enormously increased.

Dr. Hoffman recognizes the problems which face the British government as a result of the war, and takes these into consideration in analyzing the effects of the unemployment act: —

It is only fair to say that the British government has been confronted by difficulties of a colossal magnitude, due to disorganization of all European markets. Until Germany is on her feet; until France once more is prosperous; until Austria and Hungary are rehabilitated; and until Russia is on a fair way toward economic restoration, the outlook for British trade cannot be otherwise than a dismal one. Yet attention is

diverted from the solution of the real problem by giving prior consideration to palliatives which have drained the economic power and physical efficiency of the British nation to the limit.

That compulsory unemployment insurance leads eventually to governmental control of organized labor is the opinion expressed by Dr. Hoffman. He says: —

Carried to its logical conclusion, unemployment insurance means the compulsory control of organized labor, for the moment a nation's work people is compulsorily insured, it is organized for governmental purposes. Beginning with compulsory reductions from wages and compulsory contributions on the part of the employers, the procedure continues to the compulsory requirement of legislation and report at employment exchanges, ending in the compulsory direction of men as to what they shall do, where they shall go and how they shall behave. The British government has gone so far that "Under new regulations, made by the Minister of Labor under the employment act, an insurance officer may require any insured contributor, who applies for out-of-work benefit, to go to school." As said in the "Daily Scotchman" of February 23, 1921, "There is nothing in the new regulation to prevent an insurance officer sending any man, youth, woman or girl, who may be out of work, to school, and stopping the dole if the person refuses to go." In other words, if unsuitable for such employment as may be offered, the government is in a position to require the beneficiary to undergo a course of vocational training to establish his fitness for the opportunity. The next step is obviously to compel men to work, as has been the case for some years past in Soviet Russia. Thus after pauperizing the wage-earning element, it is converted into a subservient mass of tools, serving the needs of government, be they what they may.

I have given thoughtful consideration to social insurance for more than twenty years, and I am absolutely convinced that much of the propaganda for one form of such insurance or another, as is carried on in the United States, is of foreign origin and fostered and fathered by foreign nations. It is of the very utmost importance to European countries that America should equalize the cost of production, to the extent of assuming economic burdens, inevitably resulting from any and every system of social insurance. In Soviet Russia it has been stated that the cost of social insurance, in various forms, is now equivalent to 26 per cent of the wage earner's income. The freedom of America from these burdens in no small measure accounts for our satisfactory position in foreign markets, regardless of the high cost of production in this country, attributable primarily to a high standard of living. Burdening ourselves with economically indefensible costs of unemployment insurance, old-age pensions, health insurance, maternity insurance, invalidity insurance, compensation insurance, etc., we will soon reduce our own wage earners to the condition of a semi-pauperized element, typical of England.

Industrial depression reserve is the means advocated by this statistician for meeting periods of unemployment, and he would require the accumulation of such a fund by statute. The Commission has already discussed this remedy at length in another part of its report.

Conclusions.

Like other forms of so-called social insurance, compulsory indemnification during unemployment is not consistent with American principles. The Commission is unanimous in its opinion that the adoption of any form of State insurance against unemployment would neither be to the interest of Massachusetts industries nor to the permanent advantage of Massachusetts wage earners.

There is evidence that where compulsory state health insurance is in operation the health of wage earners has not been improved, but malingering has increased, and as a result the cost has become much greater. Just as health insurance has apparently encouraged malingering, unemployment insurance bids fair to encourage shiftlessness and improvidence.

It may be well if we consider what influence state unemployment insurance may exert on the character of the people who come within its provisions. In debating the English Unemployment Insurance Bill in the House of Commons on March 29, 1922,[1] Mr. A. Hopkinson said: —

Legislation of this kind, which pretends to deal with the unemployment problem, does not deal with the problem at all. It merely deals with a mitigation of the painful symptoms. Like so many quack remedies, it even, in my opinion, adds to the gravity of the disease. It adds to the gravity of the disease in two ways. In the first place, it takes money out of industry, and taking money out of industry does inevitably lead to an increase of unemployment. In the second place, it prevents the competition of the man who is out of work against the man who is in work. On the other hand, it may be said by some that the prevention of such

[1] Vol. 152, No. 37, Parliamentary Debates, House of Commons, London.

competition will be for the good of the man. A little thought will convince one that it is not good, in the long run, that such competition should not exist.

When one contemplates the growth of our Commonwealth, and the spirit of its citizens which has contributed so largely to that successful development, we are reminded that those qualities of character which have counted most in the achievement are those of strength, sturdiness and thrift. If these are the qualities which have made for the accomplishments of our Commonwealth in the past, they are the qualities we should seek not to discourage but to cultivate and perpetuate in the future.

Following ten years' experience with the British Unemployment Insurance Act, sentiment appears in part, at least, to be averse to this system of social insurance. Opinion in some quarters seems to hold that it is not contributing to the good of the nation.

Discussing "Political Phases" in his recent book, entitled "American Individualism," our Secretary of Commerce, Hon. Herbert Hoover, says: —

> When we come to the practical problems of government in relation to these economic questions the test lies in two directions, — Does this act safeguard an equality of opportunity? Does it maintain the initiative of our people? For in the first must lie the deadline against domination, and in the second the deadline in preservation of individualism against socialism.

We are told that American labor does not favor social insurance. To the industrious and independent American worker unemployment insurance apparently makes little appeal.

Samuel Gompers, president of the American Federation of Labor, has said: "There must necessarily be a weakening of independence of spirit and virility when compulsory insurance is provided for so large a number of citizens of the State."

The American wage earner does not want doles; he does not want social insurance; he does want independence and the opportunity for self-development. Secretary Hoover says: "We must have an abiding faith in the intelligence of our

people to solve their social problems. To this end initiative should be encouraged, individuality developed and character strengthened."[1] The normal wage earner is eager for work and resents anything in the nature of charity.

Compulsory unemployment insurance is class legislation. It not alone creates classes, when it attempts to designate what employees shall be the beneficiaries under such a system, but in a measure it taxes the ambitious and industrious worker and rewards the sluggard.

In the opinion of the Commission, state unemployment insurance would not result in any decrease in unemployment. There is reason to believe, however, that it would result in increasing unemployment.

The burden of any system of social insurance such as House Bill No. 278 contemplates would be great. The estimated annual cost having been set at $19,000,000[2] in a year of severe depression would mean that Massachusetts industries would be compelled to labor at great disadvantage with other States in the Union.

The Commission does not advocate unemployment insurance as a means of relieving or solving the unemployment question. Considering any such system aside from the cost, which seems prohibitory, there are other aspects of this form of proposed relief which do not appeal to the Commission.

In considering the various recommendations for relieving unemployment, the Commission has already stated that it was most impressed with those which sought to prevent recurring periods of unemployment, rather than with those which were apparently designed only to supply means of relief.

It is the measures that make for stabilization in business which are the constructive ones. They go to the root of the unemployment problem and provide the best means possible for its prevention. Temporary means of relief do well in emergencies, and these should be adequate, but it is to the basic remedies we should look for a permanent solution. It is such remedies which have commended themselves most to the Commission, and they should, as a matter of fact, appeal to all because they are economically and fundamentally sound.

[1] "American Individualism," by Herbert Hoover.

[2] See statement submitted by Department of Labor and Industries, page 76, appendix.

In submitting its report to the General Court, the Commission recommends no legislation. It does recommend, however, that a sufficient number of copies of the report be printed so as to allow for a general distribution of the same to employers and business organizations throughout the state by the Secretary of State.

WALTER A. HARDY.
GEO. W. P. BABB.
RENTON WHIDDEN.
DEXTER A. SNOW.
CHARLES SHULMAN.
JEREMIAH J. HEALY.
ALBERT P. LANGTRY.
WILLIAM H. COBURN.
SYBIL H. HOLMES.

STATEMENT OF REPRESENTATIVE JEREMIAH J. HEALY.

I find myself in accord with the Commission in its report on unemployment, and I am also in agreement with the majority in recommending that the wage boards appointed by the Minimum Wage Commission be restricted to seven members. I cannot, however, subscribe to the views expressed in the recommendations of the majority, where it is stated that the good results accruing under the Minimum Wage Law are not sufficient to justify recommending an extension of its provisions. On the other hand, I am firmly convinced that the benefits, which have followed as a result of the operation of the law in Massachusetts, fully justify, not only a continuation of the law, but an amendment to it making it mandatory. I am therefore submitting a bill at the end of this report, which provides means for enforcing decrees of the Minimum Wage Commission.

If it is possible to obtain the beneficial results which have followed the operation of the present Minimum Wage Law, which is only recommendatory in its provisions for enforcement, it is natural to assume that if the act were made enforcible, the good results which would follow would be greatly enhanced. It is highly desirable, in view of the present difficulties experienced in administering the law, that it should be made mandatory. The law is not equitable in its effects at the present time, since it encourages the unscrupulous employer to ignore a decree while the more honorably inclined employers comply. In order to have efficient administration of the law, I am convinced there must be provision for its impartial enforcement. The adoption of an amendment such as I recommend would, in my opinion, assure the success of the act, for in its adoption the last obstacle in the way of successful administration would have been removed.

The Minimum Wage Commission deserves the greatest credit for its success in obtaining the results which have been obtained under a law of this nature. Massachusetts is the only State or jurisdiction where enforcement of minimum wage legislation is not provided for. In every other State and district of the United States having legislation of a like character, provision is made for its enforcement in the same manner as for the enforcement of any law. The present Minimum Wage Law has a strong moral influence on the employers in the Commonwealth. Were the measure to be weakened in any respect there would follow a departure from those principles which govern in the case of the more honorable employers. A large number of the women workers find it difficult to organize, and therefore it is essential that protection be provided. The testimony given at the hearings of the Commission and the evidence submitted lead to the conclusion that no injurious effects on business have resulted from the operation of the present Minimum Wage Law. I am convinced that no harm would result even though the act were mandatory in its provision. Minimum wage legislation has passed the experimental stage. Experience justifies the conclusion that the law is now a practicable and necessary measure. I quote from the testimony given at a hearing of the Commission by Prof. Felix Frankfurter, an authority on the minimum wage question: —

> I say that a law that has behind it nine years of tried experience in this Commonwealth, and almost as many years in Wisconsin, Minnesota and California and Oregon, with uniformly the same experience, has behind it the greatest assurance that any measure anywhere can have, namely, the assurance of past experience. None of the evils that have been prophesied have come true. They said girls would be thrown out of employment, and I beg you to search the minutes to find proof of that fact. . . .
>
> The operation of the act in this Commonwealth and in four other important States which have had it, . . . as well as in England, shows that the minimum wage legislation carefully safe-guarded is a necessary protection against the unfair conditions in which a great body of women workers find themselves under modern industrial conditions, and a repeal would be the repeal of that feeble measure of necessary protection.

Many employers appeared before the Commission and testified as to the evil results which would follow were the Minimum Wage Law made mandatory; also, as has been pointed out in the report, a great number of employers appeared in opposition to the law who are not affected in the least degree by its provisions. It is not only significant when so large a body of men appear before a commission to oppose social welfare legislation, but it is evidence of a disposition to ignore the rights of women workers. It is all the more gratifying, therefore, to have an employer of the type of Mr. Edward A. Filene personally come before the Commission and not only express hearty approval of the law, but favor its extension and enforcement. "High wages cannot be maintained," he said, "unless you have a minimum wage law. I think there has been enough evidence of that sort of thing. Wages tend to go down towards the scale set by the meanest standards, the most short-sighted employers." Speaking with relation to the operation of the Minimum Wage Law in Massachusetts, Mr. Filene said: —

> It may as well be said that inability to pay a living wage is not always the reason why such a wage is refused. There are greedy employers as well as greedy employees — men who for the sake of profit want to squeeze the last penny from their help. I am sure we shall agree that the State has a right to step in in such cases and fix a limit beyond which cupidity shall not go, especially in dealing with inexperienced women and children.
>
> It is said that if we have the minimum wage in Massachusetts we cannot meet the competition of other states. Well, I should think that those who really believe this would work for a national minimum wage law, if that is constitutional. Lacking that, what is necessary are state minimum wage laws which will measure definitely the wages to be paid by the need of paying employees so that they can be profitable consumers.

Testimony of this nature coming from an ordinary employer would be impressive, but when it comes from an employer who has an annual pay roll of $2,000,000, it is all the more so.

Massachusetts took the lead in passing minimum wage legislation in the United States. It has taken the lead in passing other social welfare legislation of a progressive nature. Its example will be followed in the future as in the past by other less progressive States in the Union. Therefore it is essential that the Commonwealth maintain its enviable position in this field. To take a position contrary to the principles it has ad-

vocated and stood for in the past would mean retrogression. I recommend, therefore, making the Minimum Wage Law mandatory and giving to the Commission charged with its administration and enforcement the moral support and encouragement which it merits and deserves.

JEREMIAH J. HEALY.

AN ACT RELATIVE TO THE ENFORCEMENT OF DECREES OF THE MINIMUM WAGE COMMISSION.

SECTION 1. Chapter one hundred and fifty-one of the General Laws is hereby amended by striking out section four, and inserting in place thereof the following: — *Section 4.* Upon receipt of a report from a wage board, the commission shall review the same, and may approve or disapprove any or all of the determinations recommended, or may recommit the subject to the same wage board or to a new one. If the commission approves any or all of the determinations of the wage board it shall, after not less than fourteen days' notice to employers paying a wage less than the minimum wage approved, give a public hearing to such employers, and if, after such public hearing, the commission finally approves the determination, it shall enter a decree of its findings. Such decree shall become effective on the date fixed by the commission and shall remain in effect until superseded by a new decree. After a decree becomes effective, and while it is effective, it shall be unlawful for any employer to violate or disregard any of its terms or provisions, or to employ any female in any occupation covered by such decree at a lower rate of wages than is authorized or permitted thereunder.

SECTION 2. Said chapter one hundred and fifty-one is further amended by striking out section eleven and inserting in place thereof the following: — *Section 11.* The commission shall from time to time determine whether employers in each occupation investigated are obeying its decrees, and shall report to the department all violations.

SECTION 3. Said chapter one hundred and fifty-one is further amended by striking out section twelve and inserting in place thereof the following: — *Section 12.* Except as provided in section six any employer who pays or causes to be paid to any female employee a wage at a rate less than the minimum fixed by the decree for the occupation shall be punished by a fine of not less than ten nor more than fifty dollars.

SECTION 4. Said chapter one hundred and fifty-one is further amended by striking out section thirteen and inserting in place thereof the following: — *Section 13.* If any female employee is paid by her employer less than the minimum wage to which she is entitled by virtue of a decree of the minimum wage commission, she may recover in a civil action the full amount of such

minimum wage less any amount actually paid to her by the employer, together with such reasonable attorney's fees as may be allowed by the court; and any agreement for her to work for less than such minimum shall be no defense to said action.

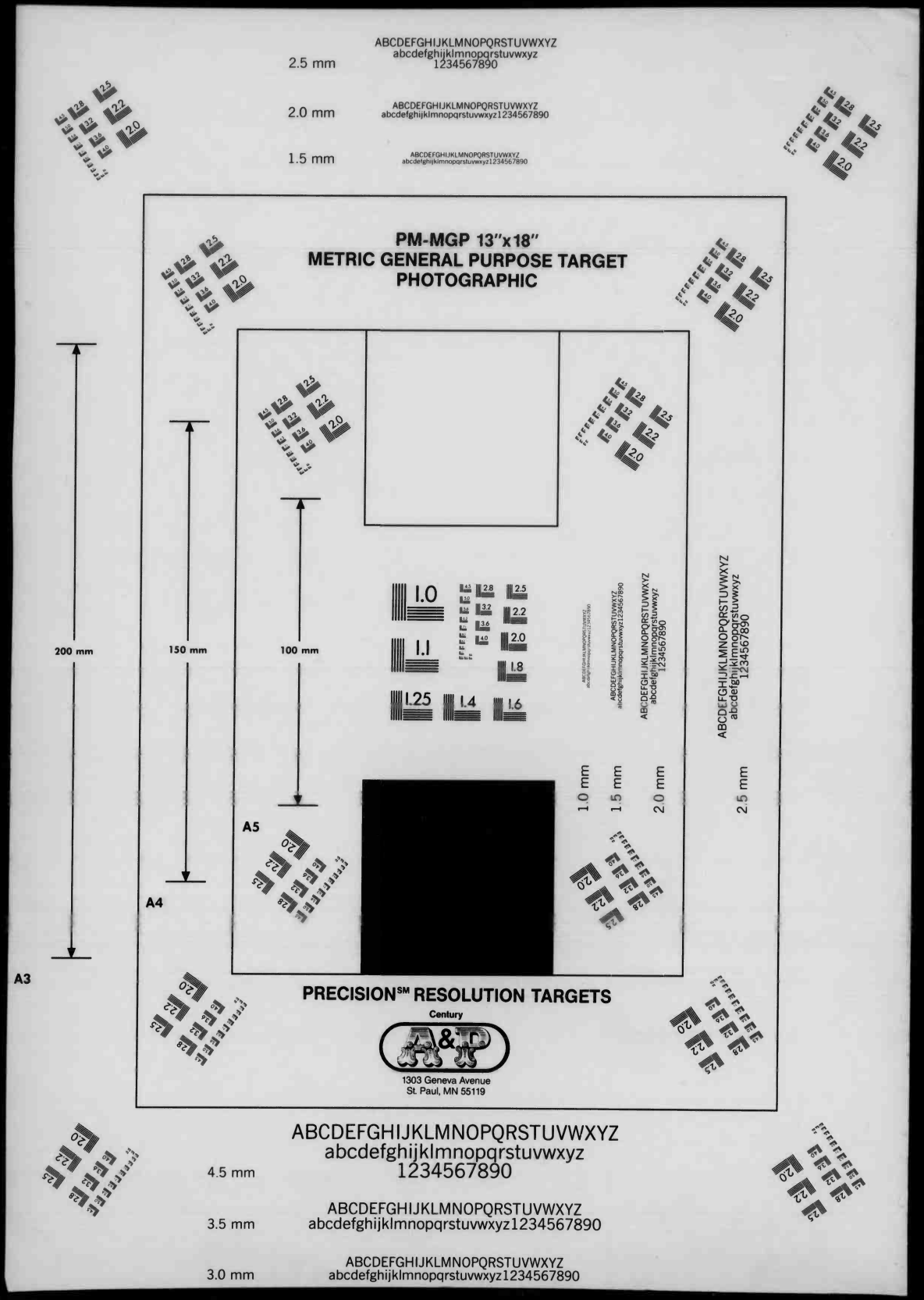
SECTION 5. Said chapter one hundred and fifty-one is further amended by striking out section fourteen and inserting in place thereof the following: — *Section 14.* The commission may require employers in any occupation to post notices of its hearings or of nominations for wage boards, or of decrees that apply to their employees, in such reasonable way and for such length of time as it may direct. Whoever refuses or fails to post such notice or decrees, when so required, shall be punished by a fine of not less than five nor more than fifty dollars. The department of labor and industries shall prosecute all violations of this chapter.

APPENDIX

REDUCTION

RATIO

20:1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APPENDIX.

TABULAR SUMMARY — MINIMUM WAGE INSPECTIONS, MASSACHUSETTS.

(Showing extent of compliance with minimum wage decrees.)

DECEMBER 1, 1918, TO NOVEMBER 30, 1922.

Occupation covered	Brush.	Candy.				Canning and Preserving.			Corset.			Knit Goods.			Laundry.	
Decree	First.	First.				First.			First.			First.			First.	Second.
Date of inspection	1919.	1920.	1921.[1]	1921.[2]	1922.	1919.	1920.	1921.	1920.	1921.	1922.	1920.	1921.	1922.	1919.	1922.
Disposition of Cases.																
Number of records secured	689	7,050	4,907	3,708	3,785	650	734	214	1,612	1,500	1,207	1,096	1,110	526	2,441	2,929
Number of firms visited	24	110	113	37	84	35	33	32	15	17	15	29	33	9	120	170
Number with full compliance	23	82	102	30	75	31	29	28	8	15	9	26	24	4	109	101
Number of cases of compliance	687	6,844	4,872	3,773	3,760	640	730	210	1,582	1,497	1,173	1,092	1,093	516	2,425	2,053
Number of cases of non-compliance	2	206	35	25	25	10	4	4	30	3	34	4	17	10	16	876
Adjusted[3]	2	206	35	21	25	10	4	4	30	3	5	4	15	10	16	86
Settled by employers' adjustment[7]	1	–	–	–	–	9	–	–	–	–	–	–	–	–	9	–
Wages raised	–	177	26	18	25	–	3	3	11	3	1	3	14	10	–	78
Earning minimum at reinspection	–	–	–	–	–	–	–	–	3	–	–	–	–	–	–	–
Covered by piece-rate ruling	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–
Special license	–	3	1	–	–	–	–	–	6	–	–	1	–	–	–	1
Special license type	–	–	–	–	–	1	–	–	4	–	1	–	–	–	6	3
Left[3]	1	8	8	3	–	–	1	1	6	–	–	–	1	–	1	4
Discharged	–	18	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Wages raised and hours reduced	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Number of hours reduced	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–
Dropped, firm on verge of bankruptcy	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
In firms advertised	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Pending:																
Number of cases	–	–	–	4[9]	–	–	–	–	–	–	29	–	2[10]	–	–	790[11]
Number of firms	–	–	–	2	–	–	–	–	–	–	1	–	2	–	–	51
Question of classification	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Occupation covered	Men's Clothing and Raincoat.		Men's Furnishings.		Minor Confectionery.	Muslin Underwear.		Office and Other Building Cleaners.			Paper Box.			Retail Millinery.	Retail Stores.	
Decree	First.	Second.	First.	Second.	First.	First.		First.		Second.	First.			First.	First.	Second.
Date of inspection	1919.	1920.	1919.	1922.	1921.	1919.	1920.	1919.	1920.	1921.	1920.	1921.	1922.	1919.	1919.	1922.
Disposition of Cases.																
Number of records secured	1,195	2,578	2,307	3,026	156	1,605	1,719	2,060	1,353	1,350	1,085	1,356	4,831	244	2,312	562	715	12,618	20,546
Number of firms visited	79	182	48	71	21	77	81	96	207	171	144	249	123	30	93	174	205	216	1,333
Number with full compliance	78	173	34	36	18	59	79	58	200	169	138	234	55	3	46	161	204	200	911
Number of cases of compliance	1,194	2,568	2,282	2,712	99	1,656	1,717	1,839	1,311	1,347	1,130	1,211	4,267	152	2,124	548	714	12,389	16,836
Number of cases of non-compliance	1	12	25	314	57	39	2	221	42	3	425	145	564	302[3]	188	14	1	29	3,710
Adjusted[3]	1	12	25	171	1	39	2	80	42	3	397	32	354	224	67	14	1	29	673
Settled by employers' adjustment[7]	–	–	7	–	–	18	–	–	42	–	–	–	–	–	–	8	–	27	–
Wages raised	–	7	–	71	1	–	2	56	–	3	152	16	110	14	58	–	1	–	628
Earning minimum at reinspection	–	–	–	18	–	–	–	3	–	–	–	–	68	13	–	–	–	–	–
Covered by piece-rate ruling	–	–	–	32	–	–	–	5	–	–	–	–	–	22	1	–	–	–	–
Special license	–	–	–	–	–	–	–	7	–	–	–	–	25	–	1	–	–	–	2
Special license type	–	–	16	34	–	11	–	5	–	–	–	–	15	–	–	–	–	–	2
Left[3]	–	–	–	16	–	10	–	3	–	–	1	–	135	14	6	6	–	–	27
Discharged	–	–	2	–	–	–	–	1	–	–	50	–	1	1	1	–	–	–	5
Wages raised and hours reduced	–	–	–	–	–	–	–	–	–	–	7	–	–	–	–	–	–	–	–
Number of hours reduced	–	–	–	–	–	–	–	–	–	–	81	16	–	–	–	–	–	–	9
Dropped, firm on verge of bankruptcy	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
In firms advertised	–	–	–	–	–	–	–	–	–	–	106	–	–	160	–	–	–	2	–
Pending:																			
Number of cases	–	–	–	141[11]	–	–	–	–	–	–	1,281[12]	113[14]	210	78[15]	121[11, 16]	–	–	–	3,037[17]
Number of firms	–	–	12	29	–	–	–	–	–	–	2	1	–[18]	5	26	–	–	–	236
Question of classification	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Occupation covered	Retail Stores.	Wholesale Millinery.			Women's Clothing.				Total.
Decree	Second.	First.			First.	Second.		Third.	
Date of inspection	1922.	1919.	1921.	1922.	1919.	1920.	1921.	1922.	
Disposition of Cases.									
Number of records secured	20,546	841	776	1,378	404	1,668	–	2,702	102,170
Number of firms visited	1,333	28	42	39	22	177	33	228	8,256
Number with full compliance	911	22	42	30	20	147	–	197	6,222
Number of cases of compliance	16,836	831	776	1,378	404	1,307	–	2,578	97,026
Number of cases of non-compliance	3,710	10	–	–	9	157	101	124	7,944
Adjusted[3]	673	10	–	–	9	66	20	94	5,947[18]
Settled by employers' adjustment[7]	–	–	–	–	2	–	–	–	139
Wages raised	628	–	–	–	–	69	69	30	1,347
Earning minimum at reinspection	–	–	–	–	–	–	–	–	91
Covered by piece-rate ruling	–	–	–	–	–	–	2	–	159
Special license	–	–	–	–	–	–	–	–	91
Special license type	2	–	–	–	–	4	1	–	37
Left[3]	–	–	–	–	6	2	1	–	113
Discharged	27	2	–	–	–	39	12	6	186
Wages raised and hours reduced	–	–	–	–	–	1	–	–	32
Number of hours reduced	–	–	–	–	–	–	–	–	9
Dropped, firm on verge of bankruptcy	–	–	–	–	–	–	–	–	167
In firms advertised	9	–	–	–	–	–	–	–	2
Pending:									766
Number of cases	3,037[17]	–	–	–	–	91	23[18]	99[19]	4,566[19]
Number of firms	236	–	–	–	–	–[18]	18	25	325[19]
Question of classification	–	–	–	–	–	–	–	–	–

[1] February and March.
[2] November.
[3] 210 of the cases were left from 1920.
[4] These cases were pending from 1920.
[5] In the majority of cases adjustment is made before the decree becomes operative and does not show in the table.
[6] 425 additional cases were adjusted. These cases were pending from previous year. For method of settlement see notes.
[7] In 1919, 130 cases of non-compliance were settled by employers' adjustments, as follows: 128 by raising of wages, 2 by changing basis of payment.
[8] In 1919 the adjustment "left" included 3 cases where employees were discharged.
[9] Of these 4 cases the following settlement has been made: 3 were laid off, and 1 has left.
[10] Of these 2 cases the following settlement has been made: 1 was earning minimum at reinspection; the other, wages raised.
[11] Inspection not completed.
[12] Of these 56 cases pending, the following settlement has been made: 4 were earning minimum at reinspection; 27 were discharged; 14 were shown to be above minimum by time records; 7, special license type; and 4 had left.
[13] Of these 28 cases the following settlement has been made in 14 cases: 7, wages raised, and 7, time records show compliance; 14 cases still pending.
[14] In addition to these 113 cases, there are 14 cases pending from 1921.
[15] Of these 78 cases the following settlement has been made: 2, wages raised; 11, laid off; 2, left; 1, earning minimum at reinspection; 1, should not have been considered non-compliance; and 61 are pending.
[16] In addition to these 121 cases, there are 61 pending from 1921.
[17] These 32 cases of non-compliance were settled in 1922, by determination of their classification.
[18] Of these cases, 75 (office cleaners, 14; paper box, 61) are pending from 1921, and 4,465 represent *1922* non-compliances where reinspection to determine adjustment has not been made.
[19] Figure representing number of firms not available.

REDUCTION RATIO 12:1

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1.5 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ abcdefghijklmnopqrstuvwxyz1234567890

PM-MGP 13"x18"
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC

200 mm

150 mm

100 mm

A4

A5

1.0 1.1 1.25 1.4 1.6 1.8 2.0 2.2 2.5 2.8 3.2 3.6 4.0 4.5 5.0 5.6 6.3 7.1

1.0 mm 1.5 mm 2.0 mm 2.5 mm

PRECISION℠ RESOLUTION TARGETS

Century A&P

1303 Geneva Avenue
St. Paul, MN 55119

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

4.5 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

3.5 mm

APPENDIX.

TABULAR SUMMARY — MINIMUM WAGE INSPECTIONS, MASSACHUSETTS

(Showing extent of compliance with minimum wage decrees.)

DECEMBER 1, 1918, TO NOVEMBER 30, 1922.

Occupation covered	Brush.	Candy.				Canning and Preserving.			Corset.			Knit Goods.			Laundry.		Men's Clothing and Raincoat.		Men's Furnishings.		Minor Confectionery.		Muslin Underwear.		
Decree	First.	First.				First.			First.			First.			First.	Second.	First.	Second.	First.	Second.	First.		First.		Second.
Date of inspection	1919.	1920.	1921.[1]	1921.[2]	1922.	1919.	1920.	1921.	1920.	1921.	1922.	1920.	1921.	1922.	1919.	1922.	1919.	1920.	1919.	1922.	1921.	1922.	1919.	1920.	1922.
Disposition of Cases.																									
Number of records secured	689	7,050	4,907	3,798	3,785	650	734	214	1,612	1,500	1,207	1,096	1,110	526	2,441	2,929	1,195	2,578	2,307	3,026	156	288	1,695	1,719	2,060
Number of firms visited	24	110	113	37	84	35	33	32	15	17	15	29	33	9	120	170	79	182	48	71	21	17	77	81	96
Number with full compliance	23	82	102	30	75	31	29	28	8	15	9	26	24	4	109	101	78	173	34	36	18	13	59	79	58
Number of cases of compliance	687	6,844	4,872	3,773	3,760	640	730	210	1,582	1,497	1,173	1,092	1,093	516	2,425	2,053	1,194	2,566	2,282	2,712	99	260	1,636	1,717	1,879
Number of cases of non-compliance	2	206	35	25	25	10	4	4	30	3	34	4	17	10	16	876	1	12	25	314	57	28	39	2	221
Adjusted[5]	2	206	35	21	25	10	4	4	30	3	5	4	15	10	16	86	1	12	25	171	1	25	39	2	80
Settled by employers' adjustment[7]	1	–	–	–	–	9	–	–	–	–	–	–	–	–	9	–	1	–	7	–	–	–	18	–	–
Wages raised	–	177	26	18	25	–	3	3	11	3	1	3	14	10	–	78	–	7	–	71	1	7	–	2	34
Earning minimum at reinspection	–	–	–	–	–	–	–	–	3	–	–	–	–	–	–	–	–	–	–	18	–	6	–	–	3
Covered by piece-rate ruling	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	–	–	–	32	–	–	–	–	5
Special license	–	3	1	–	–	–	–	–	6	–	–	1	–	–	–	1	–	5	–	–	–	–	–	–	7
Special license type	–	–	–	–	–	1	–	–	4	–	1	–	–	–	6	3	–	–	16	34	–	–	11	–	3
Left[8]	1	8	8	3	–	–	1	1	6	–	–	–	1	–	1	4	–	–	–	16	–	9	10	–	2
Discharged	–	18	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	3	–	–	1
Wages raised and hours reduced	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Number of hours reduced	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dropped, firm on verge of bankruptcy	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
In firms advertised	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Pending:																									
Number of cases	–	–	–	4[9]	–	–	–	–	–	–	29	–	2[10]	–	–	790[11]	–	–	–	143[11]	56[12]	3	–	–	141[13]
Number of firms	–	–	–	2	–	–	–	–	–	–	1	–	2	–	–	51	–	–	–	12	2	1	–	–	29
Question of classification	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

[1] February and March.
[2] November.
[3] 210 of the cases were left from 1920.
[4] These cases were pending from 1920.
[5] In the majority of cases adjustment is made before the decree becomes operative and does not show in the table.
[6] 425 additional cases were adjusted. These cases were pending from previous year. For method of settlement see notes.
[7] In 1919, 130 cases of non-compliance were settled by employees' adjustments, as follows: 128 by raising of wages, 2 by changing basis of payment.
[8] In 1919 the adjustment "left" included 3 cases where employees were discharged.
[9] Of these 4 cases the following settlement has been made: 3 were laid off, and 1 has left.
[10] Of these 2 cases the following settlement has been made: 1 was earning minimum at reinspection; the other, wages raised.
[11] Inspection not completed.
[12] Of these 56 cases pending, the following settlement has been made: 4 were earning minimum at reinspection; 27 were discharged; 14 were shown to be above minimum by time records; 7, special license type; and 4 had left.
[13] Of these 28 cases the following settlement has been made in 14 cases: 7, wages raised, and 7, time records show compliance; 14 cases still pending.

APPENDIX.

AR SUMMARY — MINIMUM WAGE INSPECTIONS, MASSACHUSETTS.

(Showing extent of compliance with minimum wage decrees.)

DECEMBER 1, 1918, TO NOVEMBER 30, 1922.

	Men's Clothing and Raincoat.		Men's Furnishings.		Minor Confectionery.		Muslin Underwear.			Office and Other Building Cleaners.				Paper Box.			Retail Millinery.		Retail Stores.		Wholesale Millinery.			Women's Clothing.				Total.
	First.	Second.	First.	Second.	First.		First.		Second.	First.		Second.		First.		Second.	First.		First.	Second.	First.			First.	Second.		Third.	
	1919.	1920.	1919.	1922.	1921.	1922.	1919.	1920.	1922.	1919.	1920.	1921.	1922.	1920.	1921.	1922.	1919.	1920.	1919.	1922.	1919.	1921.	1922.	1919.	1920.	1921.	1922.	
9	1,195	2,578	2,307	3,026	156	288	1,695	1,719	2,060	1,353	1,350	1,085	1,356	4,831	244	2,312	562	715	12,618	20,546	841	776	1,578	464	1,664	–	2,703	105,170
0	79	182	48	71	21	17	77	81	96	207	171	344	249	123	30	93	174	205	216	1,333	28	42	59	22	177	33	226	5,280
1	78	173	34	36	18	13	59	79	58	200	169	88	234	55	3	46	161	204	200	911	22	42	59	20	117	–	197	4,172
3	1,194	2,566	2,282	2,712	99	260	1,656	1,717	1,839	1,311	1,347	1,160	1,211	4,267	152	2,124	548	714	12,589	16,836	831	776	1,578	450	1,507	–	2,579	97,658
6	1	12	25	314	57	28	39	2	221	42	3	425	145	564	302[2]	188	14	1	29	3,710	10	–	–	8	157	91[4]	124	7,512
6	1	12	25	171	1	25	39	2	80	42	3	397	32	354	224	67	14	1	29	673	10	–	–	8	66	59	36	2,847[6]
–	1	–	7	–	–	–	18	–	–	42	–	–	–	–	–	–	8	–	27	–	6	–	–	2	–	–	–	130
8	–	7	–	71	1	7	–	2	56	–	3	52	16	110	14	58	–	1	–	628	–	–	–	–	49	40	30	1,617
–	–	–	–	18	–	6	–	–	3	–	–	–	–	68	13	–	–	–	–	–	–	–	–	–	–	2	–	119
–	–	–	–	32	–	–	–	–	5	–	–	–	–	–	22	1	–	–	–	–	–	–	–	–	–	–	–	62
1	–	5	–	–	–	–	–	–	7	–	–	–	–	25	–	1	–	–	–	2	–	–	–	–	4	1	–	57
3	–	–	16	34	–	–	11	–	5	–	–	–	–	15	–	–	–	–	–	2	2	–	–	6	2	5	–	113
4	–	–	–	16	–	9	10	–	3	–	–	1	–	135	14	6	6	–	–	27	2	–	–	–	10	11	6	290
–	–	–	2	–	–	3	–	–	1	–	–	50	–	1	1	1	–	–	–	5	–	–	–	–	1	–	–	83
–	–	–	–	–	–	–	–	–	–	–	–	7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7
–	–	–	–	–	–	–	–	–	–	–	–	81	16	–	–	–	–	–	–	9	–	–	–	–	–	–	–	107
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	–	–	–	2
–	–	–	–	–	–	–	–	–	–	–	–	106	–	–	160	–	–	–	–	–	–	–	–	–	–	–	–	266
0[11]	–	–	–	143[11]	56[12]	3	–	–	141[11]	–	–	28[13]	113[14]	210	78[15]	121[11, 16]	–	–	–	3,037[17]	–	–	–	–	91	32[17]	88[11]	4,540[18]
1	–	–	–	12	2	1	–	–	29	–	–	2	1	–[19]	5	26	–	–	–	236	–	–	–	–	–[19]	–[19]	14	375[19]
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	25	–	–

ere employees were discharged.
made: 3 were laid off, and 1 has left.
made: 1 was earning minimum at reinspection; the other, wages raised.

has been made: 4 were earning minimum at reinspection; 27 were discharged; 14 were shown to be
e type; and 4 had left.
made in 14 cases: 7, wages raised, and 7, time records show compliance; 14 cases still pending.

[14] In addition to these 113 cases, there are 14 cases pending from 1921.
[15] Of these 78 cases the following settlement has been made: 2, wages raised; 11, laid off; 2, left; 1, earning minimum at reinspection; 1, should not have been considered non-compliance; and 61 are pending.
[16] In addition to these 121 cases, there are 61 pending from 1921.
[17] These 32 cases of non-compliance were settled in 1922, by determination of their classification.
[18] Of these cases, 75 (office cleaners, 14; paper box, 61) are pending from 1921, and 4,465 represent *1922* non-compliances where reinspection to determine adjustment has not been made.
[19] Figure representing number of firms not available.

AN ACT RELATIVE TO WAGE BOARDS APPOINTED BY THE MINIMUM WAGE COMMISSION.

Section two of chapter one hundred and fifty-one of the General Laws is hereby amended by striking out, in the seventh, eighth, ninth and tenth lines, the words "or more disinterested persons appointed by it to represent the public; but the representatives of the public shall not exceed one half of the number of representatives of either of the other parties" and inserting in place thereof the words: — disinterested person appointed by it to represent the public; but the total number of the board shall not exceed seven, — by striking out, in the twenty-seventh line, the words "one of the representatives" and inserting in place thereof the words: — the representative, — so as to read as follows: — *Section 2.* If after such investigation the commission is of the opinion that in the occupation in question the wages paid to a substantial number of female employees are inadequate to supply the necessary cost of living and to maintain the worker in health, it shall establish a wage board consisting of an equal number of representatives of employers in the occupation in question, and of persons to represent the female employees in said occupation, and one distinterested person appointed by it to represent the public; but the total number of the board shall not exceed seven. The commission shall give notice to employers and employees in said occupation by publication or otherwise of its determination to establish a wage board and of the number of representatives of employers and of employees to be chosen therefor, and shall request that said employers and employees, respectively, nominate such representatives by furnishing names to it.

The representatives of employers and employees shall be selected by the commission from names furnished by the employers and by the employees, respectively; provided, that the same are furnished within ten days after such request; and provided, further, that at least twice as many names, respectively, are furnished as are required. If less than this number of names are furnished for representatives, either of employers or of employees, at least one half the names so furnished shall be

selected, and the remaining places necessary may be filled by the commission by appointments made directly from employers, including officers of corporations, associations and partnerships, or from employees in the occupation, as the case may be. The commission shall designate as chairman the representative of the public, and shall make rules and regulations governing the selection of members and the modes of procedure of the wage boards, and shall exercise exclusive jurisdiction over all questions arising with reference to the validity of the procedure and of the determinations of the wage boards. The members of wage boards shall be compensated at the same rate as jurors, and they shall be allowed the necessary traveling and clerical expenses incurred in the performance of their duties, these payments to be made from the appropriation for the expenses of the commission. The commission may fill vacancies arising in a duly constituted wage board by appointing a sufficient number of suitable persons to complete the representation of the employers, employees or public, as the case may be.

UNEMPLOYMENT IN THE ORGANIZED INDUSTRIES IN MASSACHUSETTS, 1908-22.

Introductory.

The collection of statistics from trade unions in Massachusetts, for the purpose of determining the percentages unemployed of organized wage earners in this State, was first undertaken in 1908 by the Bureau of Statistics, and has since been continued by that Bureau and by the Department of Labor and Industries to which, on December 1, 1919, were transferred certain of the functions of the former Bureau of Statistics. There is thus available a continuous series of comparable statistics based on quarterly reports for the past fifteen years. A summary of this information thus obtained is presented herewith, in the form of statistical tables. (See Tables I, II and III, appended.)

In order to fully understand the significance of the data presented, it should be borne in mind that they are based upon returns received from officials of labor organizations, and have reference solely to *organized* wage earners. As such, they are comparable from quarter to quarter. No claim is made that the returns fully represent employment conditions among the entire wage-earning population, both organized and unorganized, because it is difficult to determine whether organized or unorganized wage earners are more affected during periods of business depression. Nevertheless, it is believed that the fluctuations in the trade union percentages show, at least, general conditions in the labor market, even though the data may not measure the exact amount of unemployment prevailing at any one time. Quarterly reports on unemployment in Massachusetts have been published each year since the plan was inaugurated in 1908. Each report contains detailed tabulations for the specific quarter covered, together with comparable returns for prior quarters, with descriptive text.

A. General Summary.

The data obtained from labor organizations at the close of each quarter of the years 1908–22, inclusive, and having reference to unemployment of their members, are presented in Table I.

The percentage (31.8) reported unemployed *for all causes* at the close of December, 1920, is the highest recorded during the entire period. The industrial depression which began toward the

close of the second quarter of the year 1920 continued throughout 1921 and part of 1922. Curtailments were first noted in 1920, in the spring and early summer months, in the boot and shoe industry and in the manufacture of woolen and worsted goods. By the close of the last quarter in 1920 practically all industries and trades had become affected, and the depression continued until midsummer in 1922. During the period of fifteen years under review there were two other industrial depressions, one which began toward the close of 1907 and continued for fully a year, and the other which began shortly after the outbreak of the war in 1914 and continued through the spring of 1915, but neither of these depressions were of as long duration or of such intensity as in the case of the depression recently experienced. The highest percentages recorded during the several periods of depression were 17.9 at the close of March, 1908, 18.3 at the close of December, 1914, and 31.8 at the close of December, 1920.

The lowest percentage unemployed for all causes during the fifteen-year period was 3.0 at the close of June, 1918. On only four other dates were the percentages unemployed for all causes less than 5 per cent, namely, September 30, 1909 (4.8); September 30, 1912 (4.7); June 30, 1916 (4.2); and September 30, 1916 (3.9). In each of the fifteen years, except 1920, the percentages unemployed were lower at the close of either June or September than at the close of any other quarter.

During the fifteen-year period there were marked fluctuations in the percentages unemployed at the close of the several quarters. In a number of instances these fluctuations in a single year have been large. The average of the percentages for the entire period was 11.3. A normal percentage unemployed for all causes would probably be somewhat less than this average, because a large number of unusually high percentages recorded during three periods of depression are included among the sixty items used in determining the average.

B. Causes of Unemployment.

The percentages unemployed at the close of each quarter during the period 1908–22, classified by causes of unemployment, are presented in Table II.

Lack of Work or Material. — Of the several causes of unemployment, lack of work or material is the principal one. The percentages unemployed because of lack of work or material

serve as a more accurate index of labor market conditions than do the percentages unemployed for *all* causes. Usually only small percentages of wage earners are unemployed because of unfavorable weather, strikes or lockouts, disability and "other causes," and such percentages vary but little from quarter to quarter. The effect of the three industrial depressions which occurred during the period 1908–22 is indicated by high percentages unemployed at the close of the quarters ending, respectively, on March 31 and June 30, 1908, December 31, 1914, and March, 1915, and at the close of each quarter during the period June 30, 1920, to June 30, 1922. The average percentage for the fifteen-year period was 7.7.

Weather. — The percentages unemployed on account of unfavorable weather usually vary but little from quarter to quarter. At the close of the quarters ending on June 30 and September 30 of each year, the percentages unemployed for this cause were practically negligible. In no case did this percentage exceed 2.4 for all industries on December 31, 1909. Weather conditions affect principally building trades operations during the winter months, as will be noted on referring to Table III.

Strikes and Lockouts. — The highest percentages recorded were, at the close of the quarters ending March 31, 1921, 6.7; June 30, 1922, 6.6; March 31, 1922, 6.5; and March 31, 1912, 6.3. Of these high percentages the first was due principally to strikes of building tradesmen, and the last three to strikes in the textile industry.

Disability. — The percentages unemployed on account of disability (sickness, accident, and old age) were fairly uniform from quarter to quarter. The relatively high percentages (4.5) recorded at the close of September, 1918, and 2.4 at the close of December, 1918, were due to the epidemic of influenza. The average percentage for the fifteen-year period was 1.4.

Other Causes. — Included in this group of causes are vacations, temporary shutdowns for repairs, stock-taking, etc. The highest percentage unemployed for "other causes" recorded during the fifteen-year period was .9 at the close of September, 1921, and the lowest was .1 at the close of each of eleven quarters.

C. Unemployment in the Principal Industries.

The percentages unemployed in the several industries by no means correspond closely at the close of each quarter with the percentage unemployed in *all* industries. Certain of the indus-

tries are seasonal, and the percentages rise and fall in accordance with seasonal demands for the product. Upon reference to Table III a wide range of unemployment will be noted in all of the principal industries.

Building Trades. — In the building trades the percentages reported as unemployed were higher in each of the fifteen years (except in 1921) at the close of the first and fourth quarters than at the close of the second and third quarters, which illustrates the extent to which building operations are curtailed during the winter season. The high percentage at the close of March, 1921 (55.6), was due principally to a rather general strike of building tradesmen throughout the State which continued for a period of nearly a year, and to which the high percentages for succeeding quarters in 1921 may also, in part, be attributed.

Boot and Shoe Industry. — Over 20 per cent of the organized wage earners in this industry were reported as unemployed at the close of the quarters ending as follows: March 31, 1915, 22.4; June 30, 1917, 24.3; June 30, 1920, 43.9; September 30, 1920, 40.9; December 31, 1920, 46.0; September 30, 1921, 33.6; December 31, 1921, 39.7; March 31, 1922, 37.1; June 30, 1922, 30.1; and December 31, 1922, 21.0. In each of these cases, except at the close of June, 1917, when a large number of plants in Lynn were closed pending the adoption of a union trades agreement, the marked curtailment in production was general throughout the State, and occurred during the periods of industrial depression. Even in normal years there is usually a "between seasons" slack period in the spring of each year, when the percentage unemployed at the close of March is considerably in excess of that for the preceding December.

Textile Industry. — In this industry the highest percentages reported unemployed were recorded during periods of general industrial depression and on two occasions when there were important strikes, such as that in Lowell and vicinity early in 1912 and the strike in Lawrence and vicinity during the first half of the year 1922. The effect of the recent industrial depression which was first noted in this industry at the close of March, 1920, became more marked as the year progressed, and at the close of 1920 an exceedingly high percentage (58.2) was recorded. Conditions gradually improved in 1921, but unemployment again reached a high point (57.9) in March, 1922, decreasing somewhat in the following quarter, and by the close of the year production closely approached normal. The high percentages in 1908 were

due to a continuance of the depression which began toward the close of 1907.

Transportation. — The percentages of unemployment in this industry usually varied but little from quarter to quarter because of the necessity at all times of maintaining service. Ordinarily, railroad employees are continuously employed, and the percentages reported as unemployed do not fluctuate wholly in accordance with general business conditions. Nevertheless, the long period of depression in 1920 in practically all industries necessitated the laying off of a number of employees, owing to a decrease in the amount of shipping. High percentages were recorded during each quarter in 1921, but an improvement was noted during the first half of 1922. The strike of certain railroad employees on July 1, 1922, resulted in an increase in the percentages unemployed during the last half of the year.

Metal and Machinery Trades. — At the close of 33 of the 60 quarters covered by the returns, the percentages unemployed exceeded 10 per cent, indicating that wage earners in this group of trades are not continuously employed, and that the industry is subject to fluctuations not seasonal in their nature. A number of the high percentages recorded may, in part, be attributed to labor controversies. During the years 1916 and 1917 and in each quarter in 1918, except the last, the tradesmen were quite fully employed, and the lowest percentage recorded during the entire period of fifteen years was 1.6 at the close of September, 1916. The depression in the industry, first noted at the close of December, 1920, when 26.5 per cent of the wage earners were unemployed, became even more serious in 1921, when over 40 per cent were unemployed at the close of each quarter, and continued through at least the first quarter in 1922.

Printing and Allied Trades. — Employment conditions change but little from quarter to quarter in this group of trades. For the most part, the high percentages were recorded in 1908, 1914, 1915, 1921, and 1922, and were the result of depression in other industries, but following somewhat later. The very high percentages unemployed at the close of the last three quarters in 1921 and at the close of each quarter in 1922 were, in part, due to a general strike in several branches of the printing trades.

D. Unemployment in Municipalities.

In Boston, which city ordinarily includes fully one-third of the total membership reporting each quarter, and in which there is a

fairly general representation of all organized industries and occupations in the State, the percentages unemployed correspond rather closely with the percentages unemployed for the State as a whole. The usual increase in unemployment during the winter months, which is reflected in the percentages for the State, as a whole, is true also of the percentages for the city of Boston. With few exceptions, however, the other leading cities in the State show no uniform correspondence of this nature; in fact, in those cities which are industrially more specialized, practically no uniformity whatever is observed, and the percentages unemployed in any such specialized city rise and fall usually with the rise and fall of the percentages of unemployment in the major industry of that city.

TABLE I. — *Number and Membership of Organizations Reporting at the Close of Each Quarter and Number of Members Unemployed, with Corresponding Percentages, 1908–22.*

QUARTERS ENDING —	NUMBER REPORTING.		UNEMPLOYED — ALL CAUSES.		UNEMPLOYED OWING TO LACK OF WORK OR MATERIAL.	
	Unions.	Membership.	Members.	Percentages.	Members.	Percentages.
March 31, 1908	256	66,968	11,987	17.9	10,832	16.2
June 30, 1908	493	72,815	10,490	14.4	9,128	12.5
September 30, 1908	651	83,969	8,918	10.6	7,349	8.8
December 31, 1908	770	102,941	14,345	13.9	11,302	11.0
March 31, 1909	777	105,059	11,997	11.4	9,980	9.5
June 30, 1909	780	105,944	6,736	6.4	4,913	4.6
September 30, 1909	797	113,464	5,451	4.8	3,873	3.4
December 31, 1909	830	107,689	10,084	9.4	5,248	4.9
March 31, 1910	837	117,082	8,262	7.1	6,186	5.3
June 30, 1910	841	121,849	8,518	7.0	6,570	5.4
September 30, 1910	845	118,781	6,624	5.6	4,687	4.0
December 31, 1910	862	122,621	12,517	10.2	8,938	7.3
March 31, 1911	889	122,002	12,738	10.4	9,120	7.5
June 30, 1911	897	135,202	8,927	6.6	5,669	4.2
September 30, 1911	975	133,540	7,527	5.6	4,904	3.7
December 30, 1911	905	125,484	12,167	9.7	7,568	6.0
March 30, 1912	942	161,825	22,738	14.1	8,185	5.1
June 29, 1912	974	134,940	7,088	5.3	4,540	3.4
September 30, 1912	972	146,673	6,952	4.7	4,407	3.0
December 31, 1912	994	174,359	15,914	9.1	11,164	6.4
March 31, 1913	1,022	170,970	19,329	11.3	12,493	7.3
June 30, 1913	1,037	172,343	11,116	6.4	7,473	4.3
September 30, 1913	1,059	177,267	12,010	6.8	7,537	4.3
December 31, 1913	1,081	178,182	18,574	10.4	13,069	7.3
March 31, 1914	1,082	173,327	22,347	12.9	15,917	9.2
June 30, 1914	1,095	183,202	18,122	9.9	12,576	6.9
September 30, 1914	1,010	166,816	18,302	11.0	14,140	8.5
December 31, 1914	1,024	165,762	30,258	18.3	24,629	14.9
March 31, 1915	1,076	171,997	28,486	16.6	21,951	12.8
June 30, 1915	1,092	162,315	17,262	10.6	12,241	7.6
September 30, 1915	1,052	175,754	12,328	7.0	6,325	3.6
December 31, 1915	1,026	168,122	14,389	8.6	6,709	4.0
March 31, 1916	1,029	178,434	15,484	8.6	7,010	3.9
June 30, 1916	1,017	173,179	7,358	4.2	2,323	1.3
September 30, 1916	1,021	180,557	7,046	3.9	3,358	1.9
December 30, 1916	1,039	171,877	10,313	6.0	4,708	2.7
March 31, 1917	1,042	194,211	14,271	7.3	7,193	3.7
June 30, 1917	979	165,529	13,846	8.4	5,849	3.5
September 29, 1917	1,077	195,309	10,866	5.6	5,237	2.7
December 31, 1917	1,093	201,404	14,900	7.4	7,131	3.5
March 30, 1918	1,226	228,867	13,843	6.0	6,970	3.0
June 29, 1918	1,093	212,181	6,324	3.0	2,094	1.0
September 30, 1918	1,133	227,286	13,367	6.0	2,486	1.1
December 31, 1918	1,112	221,005	20,981	9.5	11,629	5.3
March 31, 1919	1,170	255,307	34,289	13.4	28,569	11.2
June 30, 1919	1,129	249,737	12,637	5.1	6,804	2.7
September 30, 1919	1,184	257,390	13,863	5.4	6,357	2.5
December 31, 1919	1,244	273,673	16,438	6.0	10,318	3.8
March 31, 1920	1,265	281,091	24,592	8.7	9,496	3.4
June 30, 1920	1,172	248,067	46,560	18.8	35,298	14.2
September 30, 1920	1,103	254,836	49,063	19.3	41,138	16.1
December 31, 1920	1,363	296,917	94,553	31.8	85,213	28.7
March 31, 1921	1,176	237,160	71,220	30.0	51,800	21.8
June 30, 1921	1,102	242,898	60,855	25.1	48,296	19.9
September 30, 1921	1,108	237,432	55,584	23.4	44,613	18.8
December 31, 1921	1,026	209,446	57,171	27.3	49,072	23.4
March 31, 1922	1,084	217,075	59,497	27.4	40,708	18.8
June 30, 1922	1,061	215,518	43,601	20.2	26,212	12.2
September 30, 1922	1,106	228,913	21,894	9.6	8,103	3.5
December 31, 1922	1,099	222,010	32,413	14.6	19,297	8.7
Averages, 1908-22[1]	**1,003**	**178,605**	**21,255**	**11.3**	**14,615**	**7.7**

[1] The averages are computed by dividing the sum of the sixty items in each column by 60.

TABLE II. — *Percentages of Membership of Trade Unions Unemployed at the Close of Each Quarter, 1908–22: By Causes.*

QUARTERS ENDING —	All Causes.	Lack of Work.	Unfavorable Weather.	Strikes or Lockouts.	Disability.	Other Causes.
March 31, 1908	17.9	16.2	.2	.7	.7	.1
June 30, 1908	14.4	12.5	.1	.3	1.2	.3
September 30, 1908	10.6	8.7	–	.5	1.2	.2
December 31, 1908	13.9	11.0	.5	.7	1.2	.5
March 31, 1909	11.4	9.5	.1	.2	1.3	.3
June 30, 1909	6.4	4.6	–	.3	1.2	.3
September 30, 1909	4.8	3.4	.1	.1	1.1	.1
December 31, 1909	9.4	4.9	2.4	.1	1.2	.8
March 31, 1910	7.1	5.3	.1	.1	1.4	.2
June 30, 1910	7.0	5.4	–	.1	1.2	.3
September 30, 1910	5.6	4.0	.1	.1	1.3	.1
December 31, 1910	10.2	7.3	1.2	.1	1.2	.4
March 31, 1911	10.4	7.5	.7	.1	1.4	.7
June 30, 1911	6.6	4.2	.2	.5	1.2	.5
September 30, 1911	5.6	3.7	.2	.3	1.2	.2
December 30, 1911	9.7	6.0	1.6	.1	1.3	.7
March 30, 1912	14.1	5.1	1.0	6.3	1.3	.4
June 29, 1912	5.3	3.4	–	.4	1.3	.2
September 30, 1912	4.7	3.0	.1	.3	1.2	.1
December 31, 1912	9.1	6.4	.6	.6	1.2	.3
March 31, 1913	11.3	7.3	.5	1.6	1.4	.5
June 30, 1913	6.4	4.3	.1	.7	1.2	.1
September 30, 1913	6.8	4.3	.5	.6	1.2	.2
December 31, 1913	10.4	7.3	.7	.5	1.4	.5
March 31, 1914	12.9	9.2	.7	.6	1.6	.8
June 30, 1914	9.9	6.9	.3	.7	1.2	.8
September 30, 1914	11.0	8.5	.2	.5	1.5	.3
December 31, 1914	18.3	14.9	1.1	.1	1.5	.7
March 31, 1915	16.6	12.8	.4	1.0	1.9	.5
June 30, 1915	10.6	7.6	.7	.6	1.5	.2
September 30, 1915	7.0	3.6	.6	1.2	1.4	.2
December 31, 1915	8.6	4.0	1.1	1.5	1.8	.2
March 31, 1916	8.6	3.9	1.0	1.9	1.6	.2
June 30, 1916	4.2	1.3	.3	.8	1.5	.3
September 30, 1916	3.9	1.9	.1	.3	1.5	.1
December 30, 1916	6.0	2.7	.9	.5	1.5	.4
March 31, 1917	7.3	3.7	1.2	.4	1.7	.3
June 30, 1917	8.4	3.5	.2	2.8	1.3	.6
September 29, 1917	5.6	2.7	.3	.9	1.3	.4
December 31, 1917	7.4	3.5	1.5	.4	1.5	.5
March 30, 1918	6.0	3.0	.6	.2	1.5	.7
June 29, 1918	3.0	1.0	.1	.1	1.1	.7
September 30, 1918	6.0	1.1	.2	.1	4.5	.2
December 31, 1918	9.5	5.3	.2	1.0	2.4	.6
March 31, 1919	13.4	11.2	.2	.5	1.4	.1
June 30, 1919	5.1	2.7	.1	1.1	1.1	.1
September 30, 1919	5.4	2.5	.2	1.4	1.2	.2
December 31, 1919	6.0	3.8	.3	.4	1.4	.1
March 31, 1920	8.7	3.4	.7	3.0	1.4	–
June 30, 1920	18.8	14.2	.4	2.7	1.2	.2
September 30, 1920	19.3	16.1	.3	1.5	1.1	.2
December 31, 1920	31.8	28.7	.5	.7	1.2	.8
March 31, 1921	30.0	21.8	.2	6.7	1.0	.2
June 30, 1921	25.1	19.9	.2	3.4	1.1	.5
September 30, 1921	23.4	18.8	.3	2.2	1.2	.9
December 31, 1921	27.3	23.4	.8	.9	1.4	.8
March 31, 1922	27.4	18.8	.4	6.5	1.5	.3
June 30, 1922	20.2	12.2	.4	6.6	1.1	.1
September 30, 1922	9.6	3.5	.2	4.6	1.2	.1
December 31, 1922	14.6	8.7	1.5	2.8	1.3	.3
Averages, 1908-22[1]	**11.3**	**7.7**	**.5**	**1.3**	**1.4**	**.4**

[1] The averages are computed by dividing the sum of the sixty items in each column by 60.

TABLE III. — *Percentages of Membership of Trade Unions Unemployed (All Causes) at the Close of Each Quarter, 1908–22: By Principal Industries.*

QUARTERS ENDING —	All Industries.	Building Trades.	Boot and Shoe Industry.	Textile Industry.	Transportation (Steam and Electric).	Metal and Machinery Trades.	Printing and Allied Trades.
March 31, 1908	17.9	25.2	8.0	43.9	13.3	16.6	9.0
June 30, 1908	14.4	18.3	18.2	13.6	8.9	17.8	10.5
September 30, 1908	10.6	9.3	17.1	15.5	4.8	16.0	12.6
December 31, 1908	13.9	21.2	6.4	20.9	5.7	16.3	9.4
March 31, 1909	11.4	18.5	12.8	6.7	4.3	9.8	6.4
June 30, 1909	6.4	5.0	8.0	6.9	3.7	7.6	5.6
September 30, 1909	4.8	3.1	7.1	5.1	2.9	3.5	4.4
December 31, 1909	9.4	17.8	3.3	12.6	2.2	10.9	3.6
March 31, 1910	7.1	8.9	7.4	8.7	5.2	4.2	3.6
June 30, 1910	7.0	4.2	9.6	17.9	4.9	3.9	3.8
September 30, 1910	5.6	4.5	7.9	7.5	3.1	5.0	3.7
December 31, 1910	10.2	18.0	5.0	8.6	4.0	14.3	4.0
March 31, 1911	10.4	19.3	12.0	9.7	4.1	6.3	4.6
June 30, 1911	6.6	6.4	4.4	21.3	2.8	13.4	4.5
September 30, 1911	5.6	5.0	4.5	11.9	2.4	7.5	6.6
December 30, 1911	9.7	20.9	2.3	7.5	3.0	12.6	6.0
March 30, 1912	14.1	17.0	13.9	29.1	1.9	7.8	5.7
June 29, 1912	5.3	2.7	8.3	2.4	2.6	10.7	5.4
September 30, 1912	4.7	2.5	9.2	5.3	1.9	10.5	3.9
December 31, 1912	9.1	14.9	4.6	12.9	3.2	11.9	3.7
March 31, 1913	11.3	13.4	14.9	14.7	3.9	7.4	2.9
June 30, 1913	6.4	7.9	5.5	12.8	2.5	9.2	4.5
September 30, 1913	6.8	9.2	6.2	13.0	2.1	8.1	4.2
December 31, 1913	10.4	23.9	4.0	5.9	4.1	18.2	5.0
March 31, 1914	12.9	29.7	14.4	5.1	3.6	11.5	5.0
June 30, 1914	9.9	12.4	12.9	6.4	3.5	13.1	9.8
September 30, 1914	11.0	13.8	13.3	11.6	4.5	13.8	7.8
December 31, 1914	18.3	33.8	14.7	21.2	6.8	18.5	12.1
March 31, 1915	16.6	26.3	22.4	10.1	8.8	11.8	9.8
June 30, 1915	10.6	13.2	10.9	6.9	4.4	12.2	10.5
September 30, 1915	7.0	8.5	5.5	3.6	3.2	16.2	5.7
December 31, 1915	8.6	17.6	2.2	4.0	7.0	12.3	5.9
March 31, 1916	8.6	22.0	5.1	4.3	3.2	5.4	7.9
June 30, 1916	4.2	7.6	3.4	3.1	3.8	2.1	3.0
September 30, 1916	3.9	3.7	4.7	2.2	4.2	1.6	3.7
December 30, 1916	6.0	11.0	2.9	3.5	2.7	3.4	4.2
March 31, 1917	7.3	16.0	6.6	4.5	3.8	3.5	4.8
June 30, 1917	8.4	5.8	24.3	4.2	2.2	3.4	4.2
September 29, 1917	5.6	6.2	12.5	3.8	2.2	2.3	3.1
December 31, 1917	7.4	18.5	4.4	3.1	3.4	3.6	3.0
March 30, 1918	6.0	16.3	2.3	2.9	3.0	4.8	5.5
June 29, 1918	3.0	4.5	2.1	1.8	4.0	2.1	5.8
September 30, 1918	6.0	4.8	8.3	6.7	4.9	2.5	3.9
December 31, 1918	9.5	12.2	5.3	9.2	3.2	15.7	4.2
March 31, 1919	13.4	21.0	8.0	21.1	6.3	20.0	2.7
June 30, 1919	5.1	5.5	2.1	2.7	4.6	9.2	4.0
September 30, 1919	5.4	4.8	3.0	2.8	3.9	10.9	2.9
December 31, 1919	6.0	6.3	3.5	3.0	3.5	6.6	4.8
March 31, 1920	8.7	11.7	3.6	11.9	3.4	17.2	3.0
June 30, 1920	18.8	7.9	43.9	19.8	3.6	14.4	2.8
September 30, 1920	19.3	5.3	40.9	26.3	5.4	9.0	2.5
December 31, 1920	31.8	26.4	46.0	58.2	13.8	26.5	5.9
March 31, 1921	30.0	55.6	15.9	37.4	25.4	41.6	7.6
June 30, 1921	25.1	32.7	18.8	32.0	18.4	40.0	33.0
September 30, 1921	23.4	27.0	33.6	14.4	13.6	46.5	26.4
December 31, 1921	27.3	31.2	39.7	12.1	18.3	41.6	24.1
March 31, 1922	27.4	19.9	37.1	57.9	10.9	35.7	17.9
June 30, 1922	20.2	7.0	30.1	42.2	9.9	17.7	12.9
September 30, 1922	9.6	4.3	8.2	6.8	20.2	9.6	13.7
December 31, 1922	14.6	17.5	21.0	4.4	16.1	10.6	11.3
Averages, 1908-22[1]	**11.3**	**14.4**	**12.2**	**13.1**	**6.2**	**12.8**	**7.2**

[1] The averages are computed by dividing the sum of the sixty items in each column by 60.

CHART A: PERCENTAGES UNEMPLOYED OF ORGANIZED WAGE EARNERS IN MASSACHUSETTS, 1908–22.

In the foregoing text the principal fluctuations in the unemployment of organized wage earners during the period 1908–22 have been discussed. The percentages appearing in Table III have been plotted on Chart A. The graph in the center of the chart shows the trend of employment in all industries considered as a group, while the other graphs are for the several principal industries or groups of trades, as follows: building trades, textile industry, printing and allied trades, metal and machinery trades, transportation, and boot and shoe industry. On reference to the chart, one will observe that the effect of the industrial depressions during the winter of 1907–08, the winter of 1914–15, and during the prolonged period 1920–22 is reflected in all of the graphs for the principal industries.

Attention is called to the more significant facts brought out by the fluctuations of the graphs for the principal industries. Thus, in the case of the *building trades* the effect of seasonal inactivity due to unemployment during the winter months in each year is very marked. In *boot and shoe manufacturing*, "between seasons" periods are represented by high percentages of unemployment recorded quite uniformly in the spring of the year. In textile manufacturing the trend of the graph is very irregular, and strikes in the industry account for the high peaks at other times than during depressions. The graph representing unemployment in *transportation*, with the exception of fluctuations upward at times of depression, shows uniformly a low percentage unemployed. In the *metal and machinery trades* marked fluctuations are noted, and the effect of industrial depressions likewise is to be observed. In the *printing and allied trades* no marked fluctuations are to be observed, except those which are due principally to industrial depressions.

The transportation industry and the printing and allied trades show usually less unemployment than any of the other trades. If the returns made by labor organizations are to be taken as representative of conditions generally throughout the Commonwealth the industries which should first receive consideration, in the order of their relative importance in the provision of unemployment relief, would appear to be as follows: (1) building trades; (2) textile manufacturing; (3) boot and shoe manufacturing; (4) metal and machinery trades; (5) printing and allied trades; and (6) transportation.

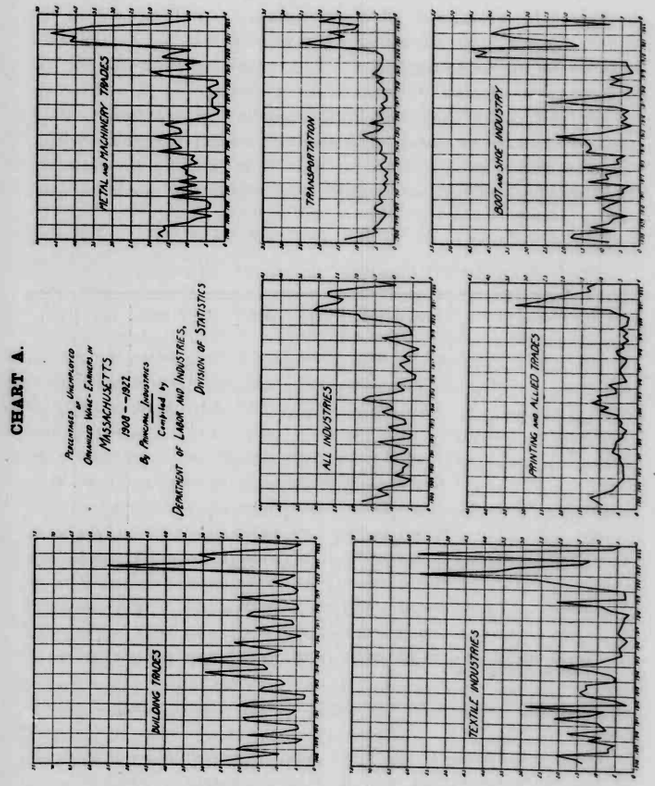


CHART A.
Percentages of Unemployed Organized Wage-Earners in Massachusetts 1908 – 1922
By Periods, Inquiries
Compiled by Department of Labor and Industries, Division of Statistics
METAL and MACHINERY TRADES
TRANSPORTATION
BOOT and SHOE INDUSTRY
ALL INDUSTRIES
PRINTING and ALLIED TRADES
BUILDING TRADES
TEXTILE INDUSTRIES

NUMBER OF PERSONS EMPLOYED IN ALL MANUFACTURING INDUSTRIES IN MASSACHUSETTS, 1914–22, INCLUSIVE.

In connection with the annual census of manufactures in Massachusetts, data are obtained showing the number of persons employed by months in all manufacturing establishments in the State. A summary of this information for the period 1914–21 appears in the following table. The census for 1922 has not yet been completed, and it is therefore impossible to furnish corresponding data for that year, but, beginning in September, 1922, returns have been obtained from representative manufacturing establishments in this State so that it is possible to show the trend of employment from month to month during the latter part of the year.

Number of Wage Earners Employed: By Months, All Industries, 1914–21.

Month.	1914.	1915.	1916.	1917.	1918.	1919.	1920.	1921.
January	626,776	567,502	662,688	715,364	716,081	695,418	757,354	531,489
February	628,535	575,765	672,550	722,015	719,651	677,006	749,351	557,757
March	633,583	584,116	682,689	726,487	734,211	680,548	755,535	573,344
April	628,344	581,950	682,584	710,444	727,816	678,956	747,623	576,761
May	619,082	580,479	677,829	699,985	727,234	689,268	739,394	584,602
June	611,928	581,699	675,595	696,500	727,725	705,186	719,595	584,320
July	595,609	581,220	672,858	687,090	724,001	715,436	697,112	576,083
August	588,703	593,754	675,904	685,328	718,608	726,354	683,985	583,074
September	589,194	604,754	677,233	694,660	711,710	736,208	669,066	593,710
October	590,992	624,313	690,158	708,288	696,861	741,732	656,590	593,488
November	587,141	636,677	705,725	722,095	716,004	751,713	610,906	597,563
December	580,489	645,391	713,454	728,171	704,459	765,546	557,971	593,961
Average number employed during the year.	**606,698**	**596,348**	**682,621**	**708,421**	**719,210**	**713,836**	**695,832**	**578,846**

The fluctuations in the labor force engaged in manufacturing in the State since 1914 may best be measured by comparison of the numbers employed during the several years with the number employed in 1914. The financial shock sustained at the outbreak of the World War in August, 1914, resulted in an industrial depression accompanied by a decline in the average number of wage earners employed from 595,609 in July to 567,502 in January, 1915. After that month the number increased each month, almost without interruption during the years 1915, 1916, and 1917, as the result of war orders, and by the end of the year 1917 a monthly average of over 700,000 was reached. This number was maintained throughout the year 1918, with the single exception of the month of October, and the average for the entire twelve months was 719,210. The average number employed in 1919 was 713,836. The average number employed in the early months of the year fell considerably below this figure, and was lower than the average for any corresponding month in 1918. This was due principally to cancellation of many war contracts, following the signing of the armistice. The general trend of employment during the first four months of 1919 was downward, but beginning in May the trend was continuously upward, and the monthly averages increased steadily from 689,268 in May to 765,546 in December, the highest number ever reported as employed in the manufacturing industries of this State in any month.

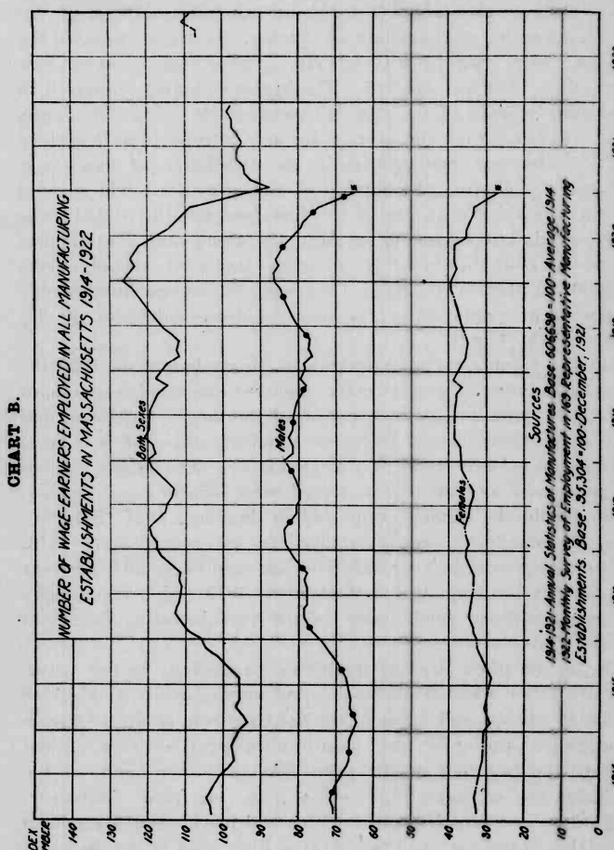
In the manufacturing industries in Massachusetts in 1920 the average number of wage earners employed decreased from month to month with the single exception of the month of March, and the range from highest to lowest numbers employed was from 757,354 in January to 557,971 in December. The largest number employed in any month on record was 765,546 in December, 1919, while the number employed in January, 1921 (531,489), was the smallest number employed in any month since 1913. Thus within a single year 234,057 wage earners, or 30.6 per cent of the number employed in December, 1919, were, temporarily at least, without employment in the manufacturing industries of the State.

In certain of the leading industries, particularly in the manufacture of boots and shoes, woolen and worsted goods, and leather (tanned, curried, and finished) the decrease from month to month was gradual during the early months of the year, but very marked during the last half of the year. On the other hand, in the manufacture of paper and wood pulp, electrical machinery, apparatus and supplies, and foundry and machine-shop products the labor force was maintained at a high level of employment until December, when the numbers employed decreased somewhat.

The accompanying Chart B graphically represents the relative numbers of persons employed in all manufacturing industries in the State in each month during the period 1914–21, inclusive,

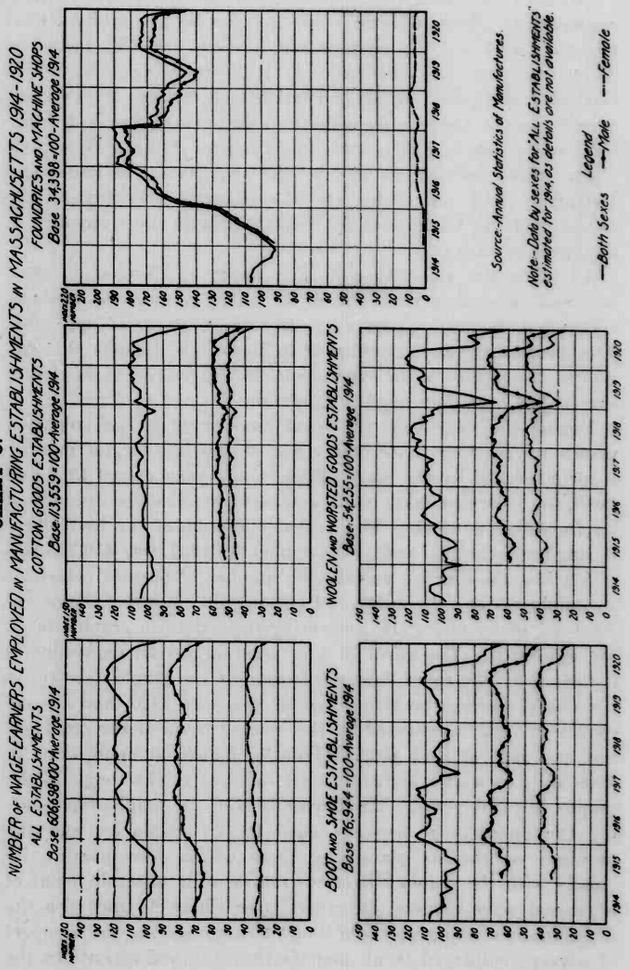
and another chart (C) presents similar information for the principal industries for the period 1914–20, inclusive. It will be noted that the number of persons employed in the manufacturing industries in this State during the war period was greatly in

CHART B.


NUMBER OF WAGE-EARNERS EMPLOYED IN ALL MANUFACTURING ESTABLISHMENTS IN MASSACHUSETTS 1914-1922
INDEX NUMBER
Both Sexes
Males
Females
Sources
1914-1921-Annual Statistics of Manufactures Base 606638=100-Average 1914
1922-Monthly Survey of Employment in 163 Representative Manufacturing Establishments Base: 35,304=100-December, 1921
* Not available by Sex for 1921 or 1922

excess of the number normally employed. At the close of 1922 the number employed compared very favorably with the average number employed in 1914, which has been taken as the base year with index number = 100.

CHART C.


NUMBER OF WAGE-EARNERS EMPLOYED IN MANUFACTURING ESTABLISHMENTS IN MASSACHUSETTS 1914-1920
ALL ESTABLISHMENTS Base 606638=100-Average 1914
COTTON GOODS ESTABLISHMENTS Base 13559=100-Average 1914
FOUNDRIES AND MACHINE SHOPS Base 34398=100-Average 1914
WOOLEN AND WORSTED GOODS ESTABLISHMENTS Base 54255=100-Average 1914
BOOT AND SHOE ESTABLISHMENTS Base 76,944=100-Average 1914
INDEX NUMBER
Source-Annual Statistics of Manufactures
Note-Data by sexes for "All Establishments" estimated for 1914, as details are not available.
Legend
—Both Sexes —•—Male —Female

MASSACHUSETTS PUBLIC EMPLOYMENT OFFICES.

The laws governing the establishment and operation of public employment offices in Massachusetts have been consolidated as General Laws, Vol. II, chapter 149, sections 160–168, inclusive. At the present time (February 1, 1923) there are four offices located, respectively, at 23–25 Pearl Street, Boston; 25 Tremont Street, Boston (mercantile office); corner Water and Worthington streets, Springfield; and 48–52 Green Street, Worcester. These offices are administered by the Department of Labor and Industries, and are under the immediate supervision of the Director of the Division of Statistics. A local superintendent is in charge of each office.

An office was established in Fall River on October 1, 1907, but was discontinued on March 31, 1917, because the business transacted did not appear to justify the cost of its operation. The mercantile office, established in Boston on January 9, 1922, was in the nature of an experiment, but it proved so successful that it has been continued in operation.

During the year 1922 the total number of persons reported placed by the four State offices was 38,469, the largest number reported placed by the State offices in any year, except 1916 and 1918, since the first State public employment office was established on December 3, 1906. The cost of operation of the four offices during the fiscal year ending November 30, 1922, was $59,255.26.[1]

A table, showing by months the number of persons called for by employers and the number of persons placed during the period 1906–22, and a chart (D) presenting these data in graphic form, are appended. The effect of the recent industrial depression is indicated by the rapid downward trend of the graphs (shown on the chart) during the latter part of the year 1920, and the recovery in 1922 is indicated by the upward trend of the graphs in the first half of that year. Likewise, industrial depressions in 1908 and the winter of 1914–15 are reflected in the trends of the graphs in those years. The fluctuations of the graphs representing the numbers of persons called for by employers and the numbers of persons placed by these offices correspond quite closely with the graphs (inverted) representing unemployment of organized wage earners (all causes) (see Chart A) and with the fluctuations of the graph (see Chart B) representing the numbers of persons employed in all manufacturing establishments in the State during corresponding periods.

[1] The United States Employment Service contributed the services of two employees and the sum of $1,450 toward the rental of the mercantile office in Boston.

Number of Persons Called for by Employers, 1906–22.

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Totals for the Year.
1906	-	-	-	-	-	-	-	-	-	-	-	3,913[1]	3,913
1907	2,893	2,717	4,534	4,399	3,393	2,442	2,343	1,932	3,091[2]	2,491[3]	1,415	1,182	32,832
1908	1,379	1,557	1,460	1,601	1,712	1,714	1,740	1,577	1,931	1,694	1,433	1,396	19,094
1909	1,394	1,455	1,844	2,117	2,136	2,423	1,892	2,175	2,514	2,536	2,035	1,912	24,433
1910	1,996	1,629	2,503	2,768	2,767	2,721	2,406	2,356	2,832	2,485	1,970	2,191	28,633
1911	1,591	1,526	2,258	2,465	3,303	2,778	2,693	2,607	3,064	3,098	2,458	1,836	30,277
1912	2,182	1,873	2,387	3,309	3,527	3,252	3,652	3,430	4,283	4,152	2,951	2,468	37,466
1913	2,329	2,374	3,428	4,126	4,158	3,794	3,008	2,817	4,305[4]	3,777	2,646	2,211	38,973
1914	2,448	2,206	2,789	3,305	3,672	3,390	2,589	2,211	2,877	2,190	1,608	1,577	30,931
1915	1,468	1,772	2,768	2,986	2,995	2,977	2,581	3,137	4,349	3,818	3,478	3,312	33,641
1916	3,837	3,638	4,637	5,989	6,809	5,476	4,952	5,686	5,949	5,717	4,780	4,102	61,572
1917	4,391	3,652	4,732[5]	5,507	5,806	5,705	5,118	5,306	5,667	5,094	3,944	3,517	58,439
1918	3,331	2,936	4,893	5,309	6,382	5,641	6,051	6,604	5,777	5,651	4,941	5,042	62,558
1919	4,485	3,474	3,536	4,259	5,197	5,627	4,758	4,351	6,058	6,313	5,111	5,056	58,255
1920	5,523	4,447	6,001	5,960	6,083	5,146	4,290	5,363	5,848	4,568	3,041	2,305	58,575
1921	2,330	2,527	3,242	3,434	3,496	3,515	2,655	3,154	3,683	3,226	2,629	2,229	36,110
1922	2,708[6]	2,960	3,800	4,254	5,115	4,870	4,082	4,384	4,908	5,190	4,434	3,513	50,312

[1] Boston office established December 3, 1906.
[2] Springfield office established September 4, 1907.
[3] Fall River office established October 1, 1907; discontinued March 31, 1917.
[4] Worcester office established September 15, 1913.
[5] Boston office (mercantile branch) established January 9, 1922.

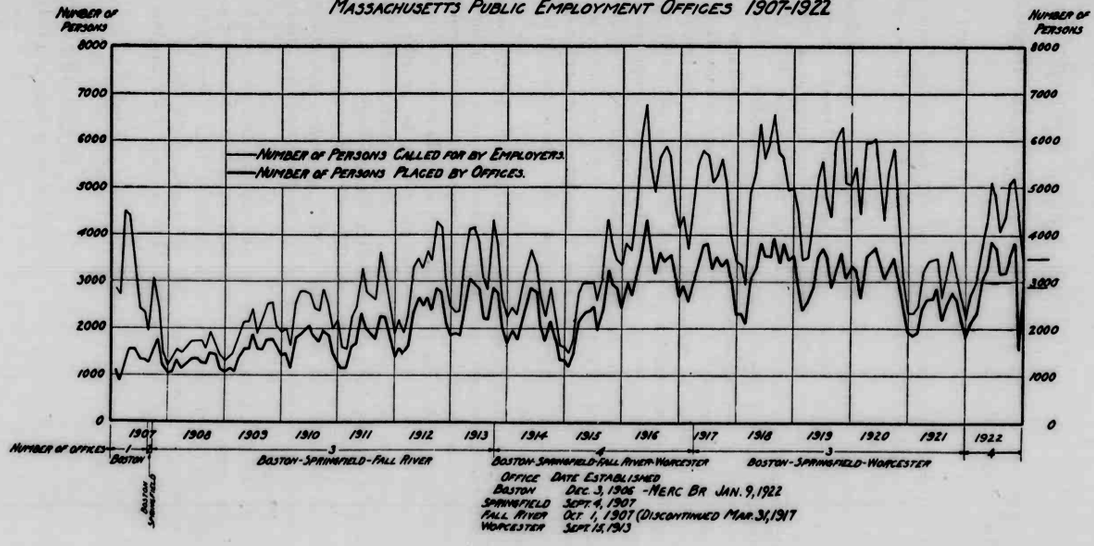
Number of Persons Placed, 1906–22.

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Totals for the Year.
1906	–	–	–	–	–	–	–	–	–	–	–	891[1]	891
1907	1,143	845	1,242	1,535	1,513	1,311	1,327	1,181	1,501[2]	1,784[3]	1,237	1,055	15,674
1908	1,081	1,304	1,110	1,231	1,318	1,317	1,287	1,244	1,478	1,411	1,119	1,063	14,963
1909	1,124	1,065	1,360	1,554	1,560	1,811	1,525	1,559	1,742	1,755	1,623	1,404	18,082
1910	1,475	1,184	1,794	1,850	1,981	2,013	1,806	1,700	1,996	1,878	1,493	1,309	20,479
1911	1,140	1,139	1,613	1,676	2,348	2,017	1,897	1,747	2,225	2,250	1,797	1,340	21,189
1912	1,580	1,417	1,667	2,320	2,692	2,463	2,661	2,380	2,974	2,898	2,195	1,829	27,076
1913	1,891	1,845	2,495	3,080	2,989	2,878	2,269	2,172	2,891[4]	2,769	2,009	1,671	28,959
1914	1,980	1,744	2,072	2,508	2,861	2,755	2,083	1,703	2,180	1,847	1,306	1,309	24,348
1915	1,192	1,460	2,160	2,347	2,360	2,418	1,981	2,388	3,269	2,959	2,846	2,489	27,869
1916	2,916	2,683	3,273	3,564	4,314	3,643	3,117	3,600	3,436	3,572	3,258	2,689	40,065
1917	2,988	2,524	2,967[3]	3,396	3,784	3,803	3,277	3,516	3,333	3,434	3,052	2,392	38,466
1918	2,355	2,062	3,042	3,223	3,802	3,559	3,523	3,927	3,351	3,808	3,496	3,587	39,735
1919	2,981	2,386	2,503	2,815	3,544	3,701	3,537	2,887	3,273	3,623	3,064	3,301	37,615
1920	3,278	2,689	3,538	3,656	3,724	3,393	3,062	3,346	3,528	3,040	2,364	1,902	37,520
1921	1,804	1,943	2,437	2,660	2,679	2,844	2,151	2,559	2,783	2,622	2,215	1,859	28,556
1922	2,115[5]	2,360	3,076	3,271	3,881	3,739	3,152	3,192	3,501	3,831	3,474	2,877	38,469

[1] Boston office established December 3, 1906.
[2] Springfield office established September 4, 1907.
[3] Fall River office established October 1, 1907; discontinued March 31, 1917.
[4] Worcester office established September 15, 1913.
[5] Boston office (mercantile branch) established January 9, 1922.

CHART D.

Number of Persons Called for by Employers and Number of Placements Made Massachusetts Public Employment Offices 1907-1922



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COST OF UNEMPLOYMENT INSURANCE.

The following estimate was submitted by the Department of Labor and Industries: —

FEBRUARY 9, 1923.

Mr. JOHN D. WRIGHT, *Secretary, Special Commission on Unemployment, Unemployment Compensation, and the Minimum Wage, Room 333, State House.*

DEAR MR. WRIGHT: — In accordance with your request of January 17, on behalf of your Commission, I am submitting herewith an estimate of the initial cost of establishing a system of unemployment insurance in accordance with the provisions of House Bill No. 278. It is understood that the estimate submitted is merely an approximation. Unfortunately, there are no data available which would make it possible to determine accurately the number of persons who, in accordance with the provisions of the bill, would be excepted from participation in the benefits therein provided. A statement showing the method of estimating the initial cost of establishing such a system in Massachusetts is appended.

In the initial year, 1923, based on three full weeks of unemployment at the maximum amount of $9 per week, or $27 per annum, per person, assuming a normal percentage (7.7) unemployed on account of lack of work, based on an experience of fifteen years, the cost would be approximately $1,612,000.

The bill provides in section 15, paragraph A, that in 1923 no employee shall receive unemployment compensation for more than three weeks, and in the years 1924 and 1925 no employee shall receive unemployment compensation for more than thirteen weeks. In order that your Commission may have some basis for determining the probable cost, were the system to be in operation for a period of thirteen weeks of unemployment, I am submitting two other estimates, as follows: —

A. In 1923, based on thirteen full weeks of unemployment at a maximum amount of $9 per week, or $117 per person, assuming a normal percentage of unemployment (7.7), the cost would be approximately $6,985,000.

B. In 1923, based on thirteen full weeks of unemployment at a maximum amount of $9 per week, or $117 per person, assuming a maximum percentage of unemployment on account of lack of work (21.0), in an experience of fifteen years (1908–22), based on 162,816 persons eligible to receive benefits, the cost would be approximately $19,050,000.

Very respectfully,

E. LEROY SWEETSER,
Commissioner of Labor and Industries.

METHOD OF ESTIMATING COST OF UNEMPLOYMENT INSURANCE.

[Based on provisions in House Bill No. 278.]

I.	Total number of persons, 14 years of age and over, gainfully employed (census of 1915) [1]	1,640,890
	Less persons engaged in —	
	(*a*) Transportation	117,455
	(*b*) Public service	40,457
	(*c*) Agriculture	79,385
	(*d*) Domestic and personal service	180,254
	(*e*) Professional service	95,102 [2]
	Total in groups (*a*) to (*e*)	512,653
	Number of persons gainfully employed, 14 years of age and over, less groups (*a*) to (*e*)	1,128,237
	Less persons under 18 years of age gainfully employed (6.7 per cent) [3]	75,592
II.	Total number of persons 18 years of age and over gainfully employed in industries covered by the act	1,052,645
	(*a*) Less persons with income in excess of $500 from any source not depending on own exertions	– [4]
	(*b*) Less persons with income over $1,560 per annum (31.1 per cent) [5]	327,373
III.	Total number of persons eligible in 1915	725,272
	Add 6.9 per cent [6] increase during period 1915–23	50,044

[1] Returns relative to persons gainfully employed in 1920 have not yet been announced by the census Bureau; therefore the returns for 1915 have been taken as the base for computation, and corrected under III to provide for increase during the period 1915–23.

[2] This entire group was omitted because, presumably, comparatively few persons in this group receive incomes of less than $1,560 per annum.

[3] In the manufacturing industries in Massachusetts in 1920, 6.7 per cent of those employed were under eighteen years of age. It is assumed, in the absence of more adequate data, that this same percentage would apply to the total number of wage earners in *all* industries in the State.

[4] There is no basis for estimating this number. The number of individuals who filed income tax returns in Massachusetts reporting incomes in excess of $1,000 in 1921 was 166,298. Presumably the most of these would be included among those with incomes of $1,560 or over, deducted under II (*b*).

[5] In the manufacturing industries in Massachusetts in 1920, 31.1 per cent of the total number of wage earners employed received at least $30 or more per week ($1,560 per annum). Approximately one-half of the total number of wage earners in the State are employed in the manufacturing industries. For lack of more comprehensive or more recent data this percentage (31.1) is applied in estimating the number of persons who would not be eligible to receive benefits under the act.

[6] The increase in population during the intercensal period 1915–20 was 4.3 per cent, or at the rate of .86 per cent per annum. For the period of eight years (1915–23) the per cent of probable increase is therefore estimated as 8 x .86 per cent, or 6.9 per cent.

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IV.	Estimated number of persons to be covered by act in 1923	775,316
	Number unemployed in normal year (based on experience of fifteen years, 7.7 per cent unemployed on account of lack of work) [1] .	59,699
V.	In initial year (1923) based on three full weeks of unemployment at maximum amount of $9 per week, or $27 per annum per person, the cost would be approximately . .	$1,612,000
VI.	In 1923, based on thirteen full weeks of unemployment at maximum amount of $9 per week, or $117 per person, assuming normal percentage of unemployment (7.7), the cost would be approximately	$6,985,000
VII.	In 1923, based on thirteen full weeks of unemployment at maximum amount of $9 per week, or $117 per person, assuming a maximum percentage of unemployment on account of lack of work (21.0), [2] in an experience of fifteen years (1908–22), based on 162,816 persons eligible to receive benefits, the cost would be approximately . . .	$19,050,000

[1] The average of the quarterly percentages unemployed on account of lack of work, based on returns from officials of labor organizations in Massachusetts during the period 1908–22 (fifteen years), was 7.7.

[2] The average of the quarterly percentages unemployed on account of lack of work, based on returns from officials of labor organizations in Massachusetts during the year 1921, which was the year of maximum unemployment during the period 1908–22, was 21.0.

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